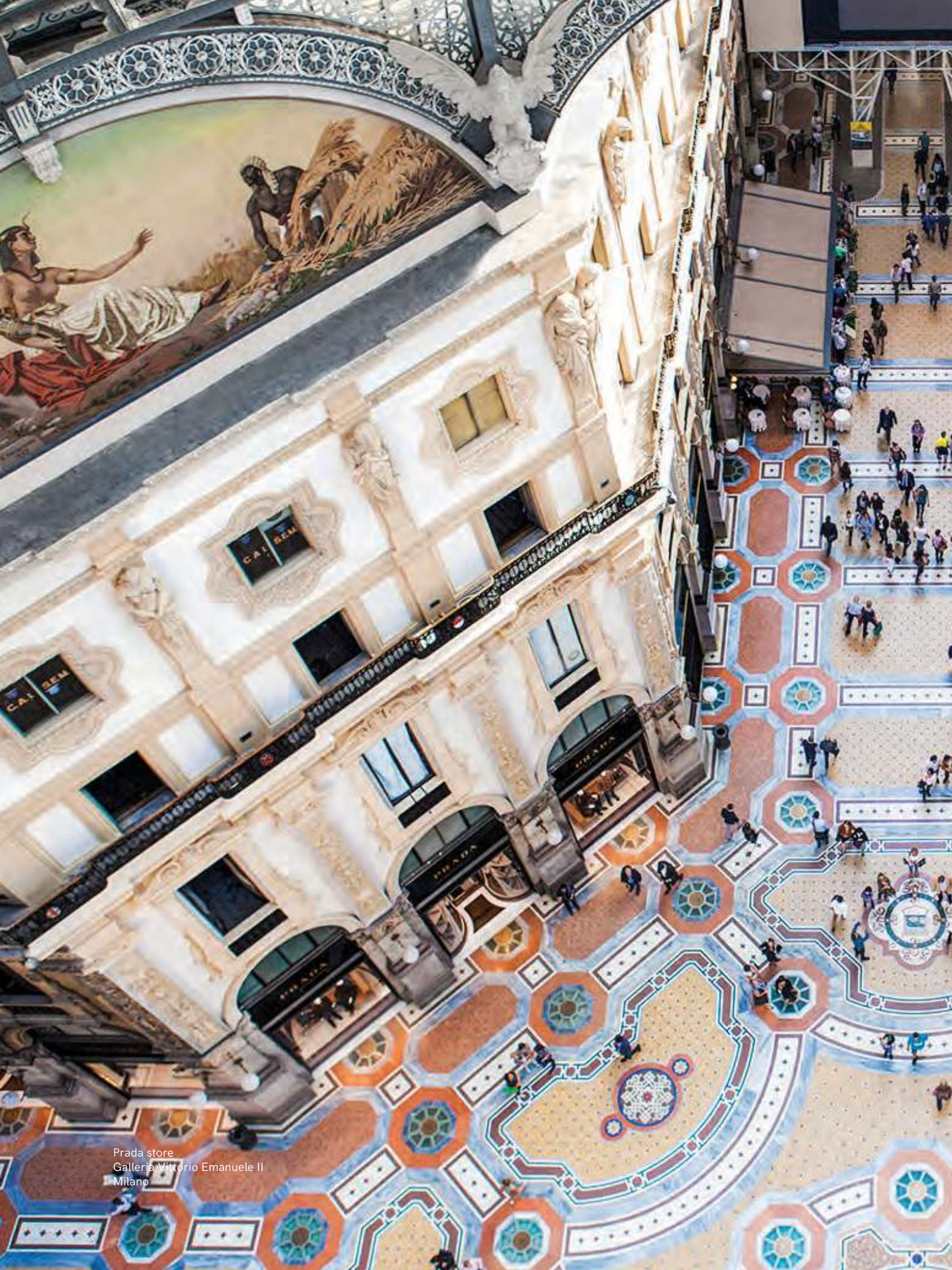
ANNUAL REPORT 2025

PRADA Group



Prada store
Galleria Vittorio Emanuele II
Milano

VERSACE
VERSACE
VERSACE

Miu Miu
New Bond Street, London

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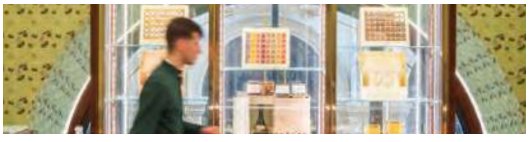

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CHAPTER 1

20

Chairman's Message

2025 was a complex year, marked by an uncertain and constantly evolving global landscape. In this context, the Prada Group delivered a solid performance, supported by the strength of its brands and a sound strategic direction.

Quarter after quarter, we continued to deliver growth, fuelled by the creativity that defines us, the excellence of our products and the commitment of our people. Disciplined execution, combined with our ability to swiftly adapt to shifting industry dynamics, enabled us to operate effectively notwithstanding the challenging conditions

Our vision remains firmly focused on the long term. We continue to invest in strengthening the organisation and developing the industrial know-how that represents a distinctive asset of the Prada Group.

Moreover, our commitment to sustainable development and to culture as a core value continues to guide us step by step. The integration process of Versace, which joins our brand portfolio from this year, is also shaped by the same commitment.

We look to the future with confidence and a strong sense of responsibility, fully aware of the challenges ahead, strengthened by the foundations we have built, and ready to seize the opportunities the market may offer.

Patrizio Bertelli
Chairman of the Board
and Executive Director

Message from the CEO

We closed another year of sound results for the Group, achieved against a complex and challenging environment. Our brands have remained desirable and culturally relevant and the acquisition of Versace marked a historic milestone in our evolutionary journey. We embraced the industry reset with discipline, raising the bar on execution, strengthening our dialogue with clients, and placing our people at the very heart of the organization. Looking ahead, we feel well positioned to navigate this new landscape, striving for excellence day after day while remaining firmly committed to sustainability and the pursuit of authentic creativity.

The results achieved in 2025 mark twenty consecutive quarters of growth for the Group, a solid performance underpinned by brand desirability, rigorous execution and a strong organisation.

Despite an uncertain and volatile environment, our brands continued to prove their relevance and leadership within the fashion and cultural debate.

Over the last twelve months, net revenues were up 8% in organic terms[1], to reach Euro 5.7 billion. The retail channel continued to be the primary engine of growth, driven by like-for-like full price sales.

Prada showed solidity and good resilience, with performance improving in the second half of the year, while Miu Miu sustained a strong growth trajectory across quarters.

We also progressed on our strategic investment plan, deploying significant capex throughout the year. With a long-term mindset, we continued to strengthen the organisation across retail, digital and industrial capabilities.

The acquisition of Versace, completed at the beginning of December, marked a historic milestone for the Group and the beginning of a new chapter, one that will require patience, respect and care to fully unlock its potential. Following this acquisition, the Group maintains a healthy balance sheet and maximum strategic flexibility.

The year proved complex for our industry and we recognize that the "new normal" has taken on a different shape. Over the last months, we have embraced this reset with discipline, raising the bar across our routines, and we believe we are ready and well positioned to operate in this new environment. The relentless work we have done to continuously energise our collections, elevate our stores and refine retail execution reflects our deep commitment to strengthening the way we connect with our clients, who remain at the core of all our conversations.

We also remain firmly committed to advancing our sustainability path, which we see as both a fundamental responsibility and a powerful opportunity. By investing in responsible practices, materials and processes, we aim to foster innovation, strengthen brand equity and build deeper, more trust-based relationships with our audiences.

As we step into 2026, the demand for excellence in our day-to-day execution will be greater than ever. With change as the only constant, the ability to continuously evolve will be essential to successful execution, enabled by placing our people at the very heart of the Group.

Andrea Guerra
Chief Executive Officer
and Executive Director

[1] calculated at constant exchange rates, excluding the contribution of Versace

2025 Overview (*)

Euro 5.7 bn
Net revenues

+9%
Growth at constant exchange rates

Euro 5.1 bn
Retail sales

+9%
Growth at constant exchange rates

Euro 1,324 m
EBIT Adjusted

23.2%
EBIT Adj. margin

+3%
Growth at current exchange rates

Euro 852 m
Group profit

+2%
Growth at current exchange rates

Euro 1,202 m
Net operating cash flow

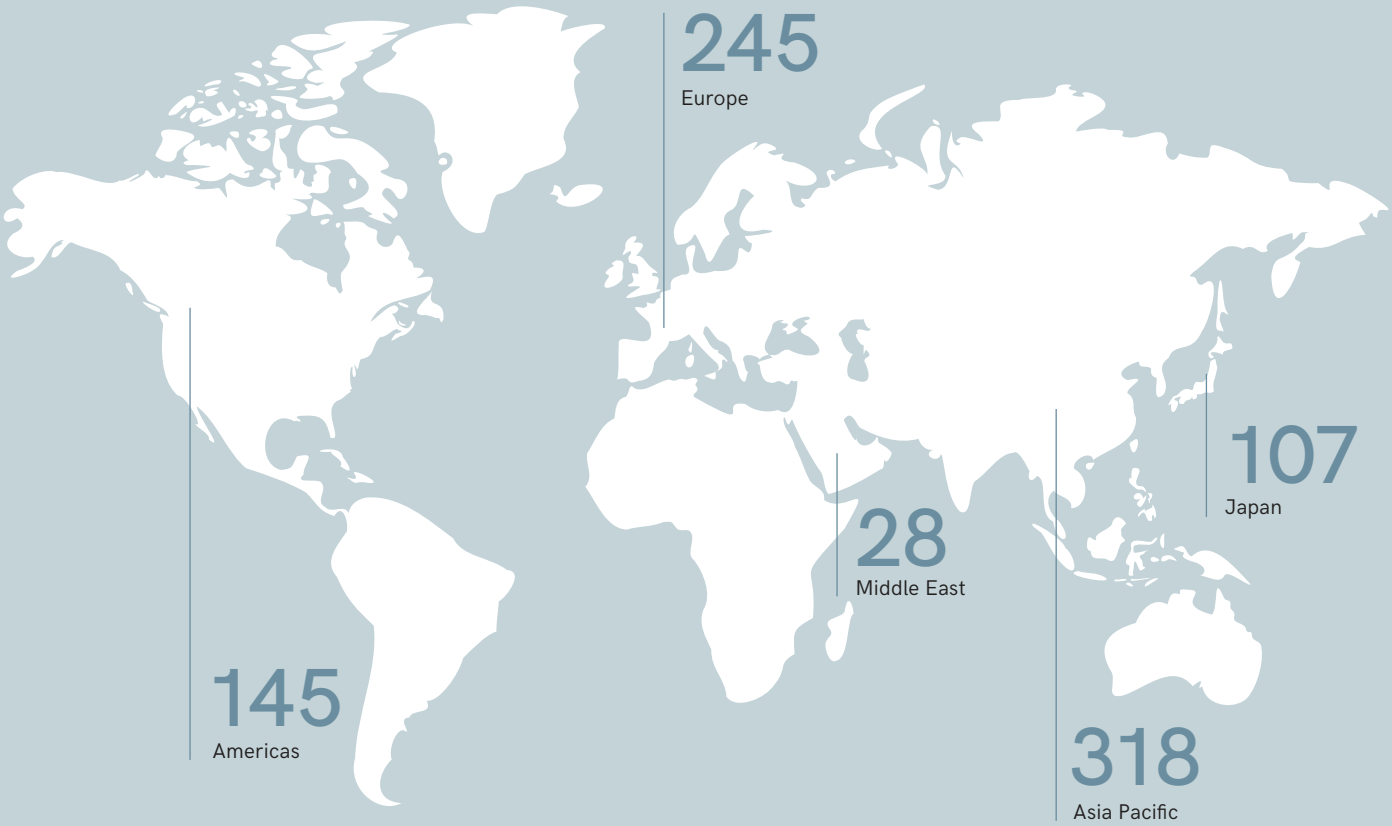
Euro -466 m
Net financial position

(*) Versace consolidated from December 2, 2025

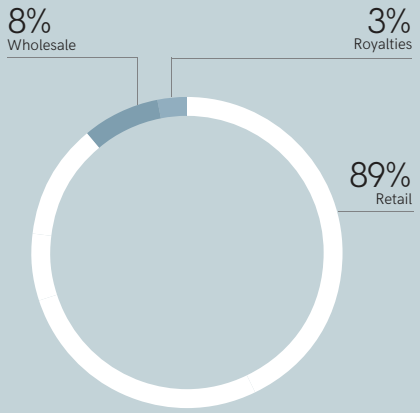
Key business figures

7	17,901	25
brands	**employees**	**factories** (of which 23 in Italy)

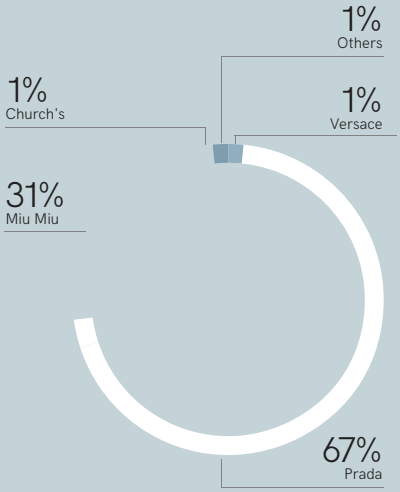
Retail footprint: 843 Directly Operated Stores worldwide



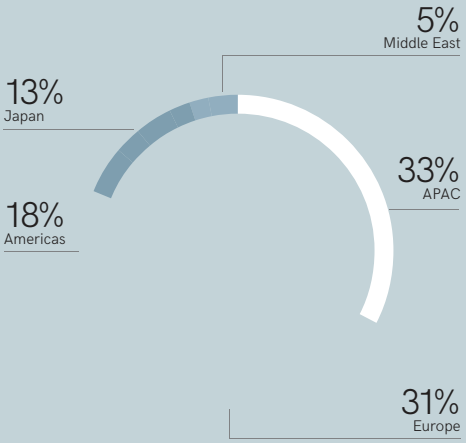
Net revenues by channel

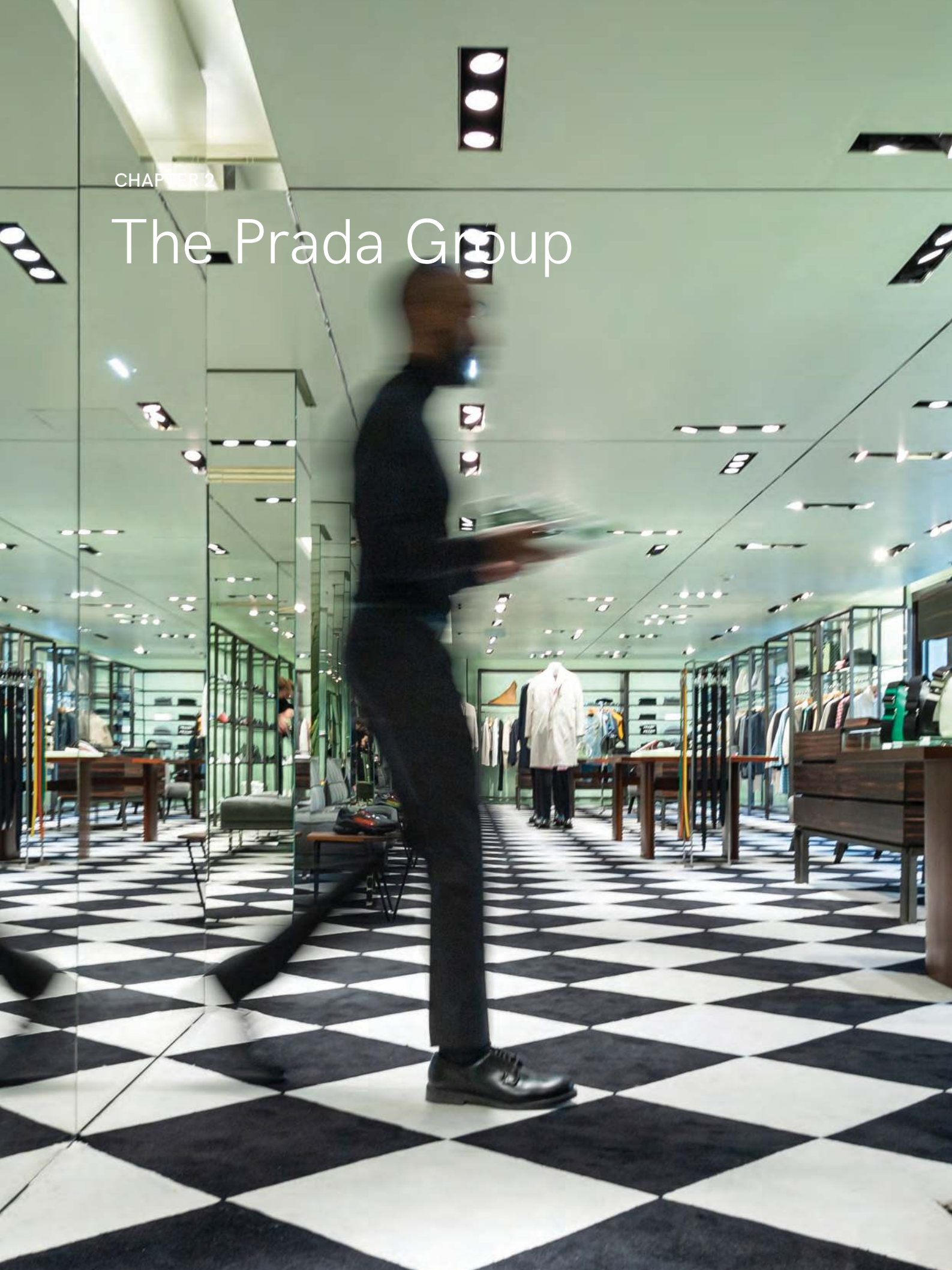


Retail sales by brand



Retail sales by geography





CHAPTER 2

The Prada Group

Who we are

The Prada Group is a global leader in the luxury industry and a pioneer in its unconventional dialogue with contemporary society across diverse cultural spheres.

Home to prestigious brands as Prada, Miu Miu, Church's, Car Shoe, Versace, the historic Pasticceria Marchesi 1824 and Luna Rossa, the Group remains committed to enhancing their value by increasing their visibility and desirability over time.
Promoting creativity and sustainable growth, the Group offers its brands a shared vision that gives each of them the opportunity to stand out and express their essence.

With 25 owned factories and around 18,000 employees, the Group designs and produces ready-to-wear, leather goods, footwear and jewellery collections, and distributes its products in more than 70 countries, through 843 Directly Operated Stores (DOS), e-commerce channels and selected e-tailers and department stores.

Prada Group also operates in the eyewear and beauty sectors through licensing agreements with industry leaders.
Prada S.p.A. is listed on the Hong Kong Stock Exchange (HKSE identification number: 1913).

The Group's Purpose and Values

"Thorough observation and curiosity for the world around us have always been at the heart of the creativity and modernity of the Prada Group.
In society, and thus in fashion, which is somehow a reflection of it, the only constant is change.
The transformation and innovation of references, at the core of any evolution, lead us to interact with different cultural disciplines, at times apparently far from our own, allowing us to capture and anticipate the spirit of the times.
Today this is no longer enough: we must be the Drivers of Change, with the flexibility required to translate the demands of the market and society into tangible actions that inform our way of doing business."

Miuccia Prada and Patrizio Bertelli

RE-THINK
THE RULES

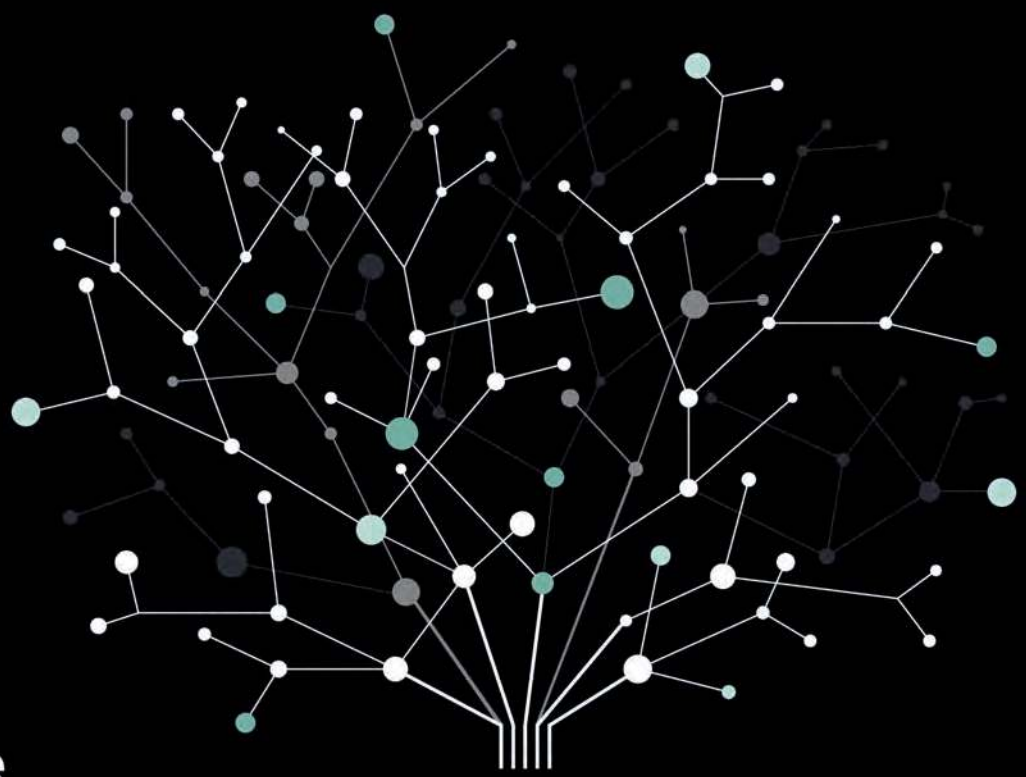
UNIQUENESS
OF TALENTS

INNOVATIVE
TRADITION

BEYOND
BOUNDARIES

SPIRIT OF
EXCELLENCE

SUSTAINABLE
PATHS



Be
DRIVERS OF CHANGE
PRADA Group

for PLANET **for PEOPLE** **for CULTURE**

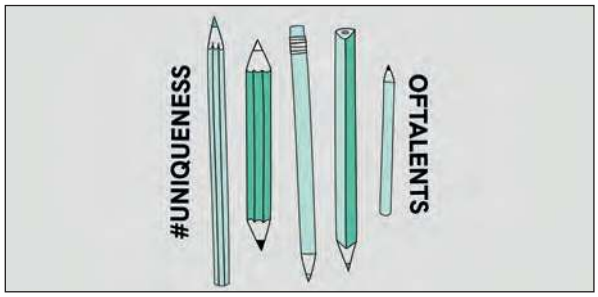
Prada Group's Purpose is to be a Driver of Change, for PLANET, PEOPLE and CULTURE.

Company Values:

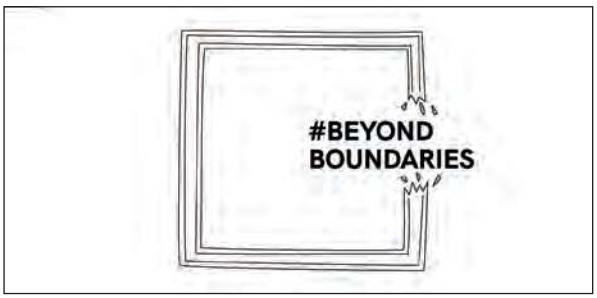
1. Re-think the rules: Synonymous with innovation, transformation and independence, the Prada Group provides its brands with a shared vision. Fearlessly challenging norms and perceptions, the Group embraces contradictions.

2. Innovative tradition: Rooted in over a century of history, the Group is propelled by a unique spirit of research and innovation. Prada's heritage combines with unrivalled production know-how and expertise.

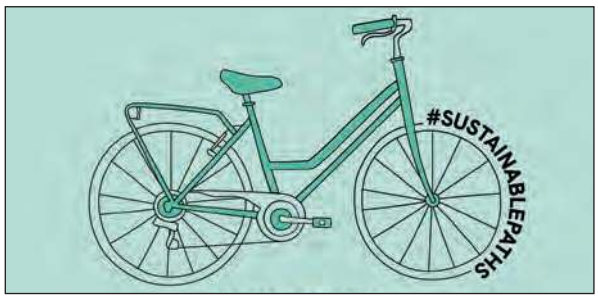
3. Spirit of excellence: Prada Group's people are constantly seeking perfection, pursuing excellence by refining and surpassing previous achievements.



4. Uniqueness of talents: Passion, curiosity, attention to detail and expertise are the distinctive qualities of everyone working at Prada. An inclusive work environment encourages cooperation, intellectual vitality and the ability to interpret the evolving nature of society.



5. Beyond boundaries: Drawing inspiration from art, philosophy, and cinema, the Group establishes bold connections that broaden perspectives and enable the emergence of unexpected ideas and solutions.



6. Sustainable paths: Sustainability is at the core of the Group's corporate strategy, with a value creation model that operates in harmony with places and with people and which enables the Group to contribute to contemporary societal and cultural debates.

Miu Miu F/W 2025 show

Prada Group History

1913
Fratelli Prada was founded in Milan by Mario Prada. Renowned for its use of premium materials and sophisticated craftsmanship, the Company swiftly gained popularity across Europe and soon opened a store in Milan's Galleria Vittorio Emanuele II.

1919
Prada obtained the title of Official Supplier to the Italian Royal Family; since then, Prada has been able to display the House of Savoy coat of arms and knotted rope design in its trademark logo.

1975
Mario Prada's granddaughter, Miuccia Prada, began her collaboration with the entrepreneur Patrizio Bertelli, founder of his own leather goods company.

1977
Patrizio Bertelli founded IPI S.p.A. to concentrate the production resources built up over previous years of business in the leather goods industry. In the same year, IPI S.p.A. obtained a license from Miuccia Prada for the exclusive production and distribution of Prada brand leather goods. In the following years, the two family businesses gradually merged into a single Group.

1979
In response to demand, the Prada leather goods range was expanded to include the first women's footwear collection.

1983
Prada opened a second store in Milan, showcasing the brand's new image, a concept dominated by a special shade of light green, which became known as 'Prada green'. Green stores soon followed in New York, Madrid, London, Paris and Tokyo.

1988
Prada's first women's clothing collection was launched in Milan.

1993
Prada made its debut in menswear and Miu Miu is founded as an experimental, alternative expression of Miuccia Prada personal vision. Miuccia Prada and Patrizio Bertelli founded 'Fondazione Prada'.

1997
The Prada Challenge sailing team was founded to compete for the 2000 America's Cup, and Prada launched its Linea Rossa activewear collection.

1999
The Prada Group acquired the classic English footwear brand Church's, founded in 1873 and a symbol of British handcraft tradition and sophisticated elegance.

2000
Prada's Luna Rossa sailing team won the Challenger Selection Series of the America's Cup in Auckland, New Zealand.

2001
The first Prada Epicenter store, designed by Rem Koolhaas, was opened in New York. This was the first of a series of stores created to redefine the concept of shopping. A second Epicenter store was inaugurated in Aoyama, Tokyo, followed by a third one on Rodeo Drive, Beverly Hills. In the same year, Prada also acquired Car Shoe, the classic Italian footwear brand, founded in 1963 and known for its iconic driving loafers.

2003
Prada entered into a licensing agreement with Luxottica, the world's leading eyewear company, which currently produces and distributes Prada and Miu Miu eyewear.

2006
Miu Miu landed in Paris Fashion Week with Fall Winter 2006 collection after travelling the world and presenting its collections in New York, London and Milan.

2007
The launch of the Prada phone by LG, the world's first touchscreen mobile phone. The LG/Prada partnership achieved further success with new models in 2008 and 2011.

2011
Prada S.p.A. was successfully listed on the Hong Kong Stock Exchange.

2015

The Prada Group introduced the first Miu Miu fragrance in partnership with the multinational beauty company Coty and opened its second Marchesi 1824 location in Milan, having acquired the historic Milanese patisserie the year before.

2017

Prada S.p.A. was admitted to the Cooperative Compliance regime with the Italian tax authorities, introduced by Italian Law Decree 128/2015.

2018

Prada officially unveiled its factory in Valvigna, designed by Guido Canali, architect of the Group's pioneering 'garden factories' and extended its fashion season to present pre-collections in Paris and in New York.

2019

The Prada Group announced the adoption of a fur free policy for all its brands, joined The Fashion Pact, and set up its Diversity & Inclusion Advisory Council, as well as launching the first collection made of recycled nylon, Prada Re-Nylon.

2020

Raf Simons joined Miuccia Prada as co-creative director of the Prada design office and the italian Custom Agency recognized Prada S.p.A. as an Authorized Economic Operator ("AEO full").

2021

Prada's Luna Rossa sailing team won the America's Cup Challenger Selection Series – Prada Cup - for the second time. The Group founded the Aura Blockchain Consortium with LVMH and Cartier.

2022

Andrea Guerra was announced as the new Group CEO. A new Group-wide Code of Ethics and Human Rights Policy were implemented and Prada launched Eternal Gold, the first jewellery collection made of 100% recycled gold.

2023

Following on from its innovative single-dose skincare in 2000, in 2023 Prada reaffirmed its presence in the beauty sector with a new line of make-up and skincare.

The first Prada Caffè opened in London.

2024

Miu Miu and L'Oréal signed a worldwide licence agreement for luxury beauty products.

The Group continued to strengthen its manufacturing capabilities, unveiling a new knitwear factory in Torgiano (Umbria).

Prada presented the new lunar spacesuits designed in partnership with Axiom Space for NASA's Artemis III mission.

Luna Rossa Prada Pirelli battled for the 37th America's Cup and won the competitions reserved to the Youth and the Women's sailing teams.

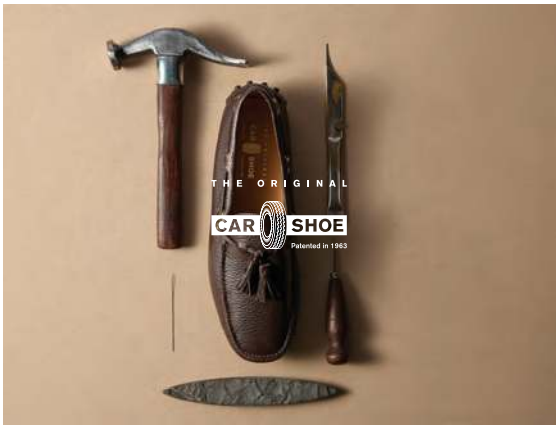
2025

In December 2025, the successful completion of the acquisition of Versace from Capri Holdings is announced, marking a significant step in the Group's evolutionary journey. With the achievement of the UNI/PdR 125:2022 Gender Equality Certification, the Prada Group reinforces its long-term ambition to foster a fair and inclusive workplace. Finally, the Prada Group Academy — a cornerstone for skills development and knowledge transfer to younger generations — celebrated its 25th anniversary.

Versace S/S 2026 campaign

The Group's Brands

The Prada Group constantly works to enhance the value of its brands, fostering their visibility and desirability.



Prada
Since 1913, Prada has been synonymous with cutting-edge style. Its intellectual universe combines concept, structure and image through codes that go beyond trends.
Its fashion transcends products, translating conceptuality into a universe that has become a benchmark to those who dare to challenge conventions. With its collections, today Prada embodies and spreads the vision and intellectual curiosity of co-creative directors Miuccia Prada and Raf Simons.

Miu Miu
Miu Miu is founded in 1993 as an experimental, alternative and subversive expression of Miuccia Prada's singular vision.
The designer's distinctive interpretation and decoding of the world today, her understanding of culture and the depth of her research, are the brand's driving force.
Miu Miu is immediate, instinctive and irreverent. With a light but always sophisticated touch, Miu Miu leads fashion, representing the courage to take risks and a razor-sharp instinct to respond to shifts in contemporary fashion and culture.

Church's
Church's handcrafted shoes represent timeless elegance and artisanal quality. With a history dating back to 1617, Church's combines the finest leather and superb craftsmanship with impeccable English style, redefining contemporary luxury by centuries-old tradition.

Car Shoe
Since 1963, Car Shoe has been known for its iconic loafers with rubber studs and deconstructed soles. Stemming from a passion for race cars and fine handmade shoes, this timeless accessory has become part of the common imagery of travel and motors.

Versace
Founded by Gianni Versace in 1978, Versace is built on the principle of *freedom empowering* fearless self-expression through every touchpoint, from fashion, interiors, fragrance, hospitality and more. Its fierce spirit of independence and progressivism fuels its relationships with the world's most influential figures, positioning Versace at the heart of pop culture.

Marchesi 1824
Pasticceria Marchesi, a Milanese icon since 1824, is renowned for its elegant ambience, its impeccable service and exceptional patisserie. Locations include the historic Via Santa Maria alla Porta, Via Monte Napoleone, Galleria Vittorio Emanuele II in Milan, and a store in London's Mayfair.

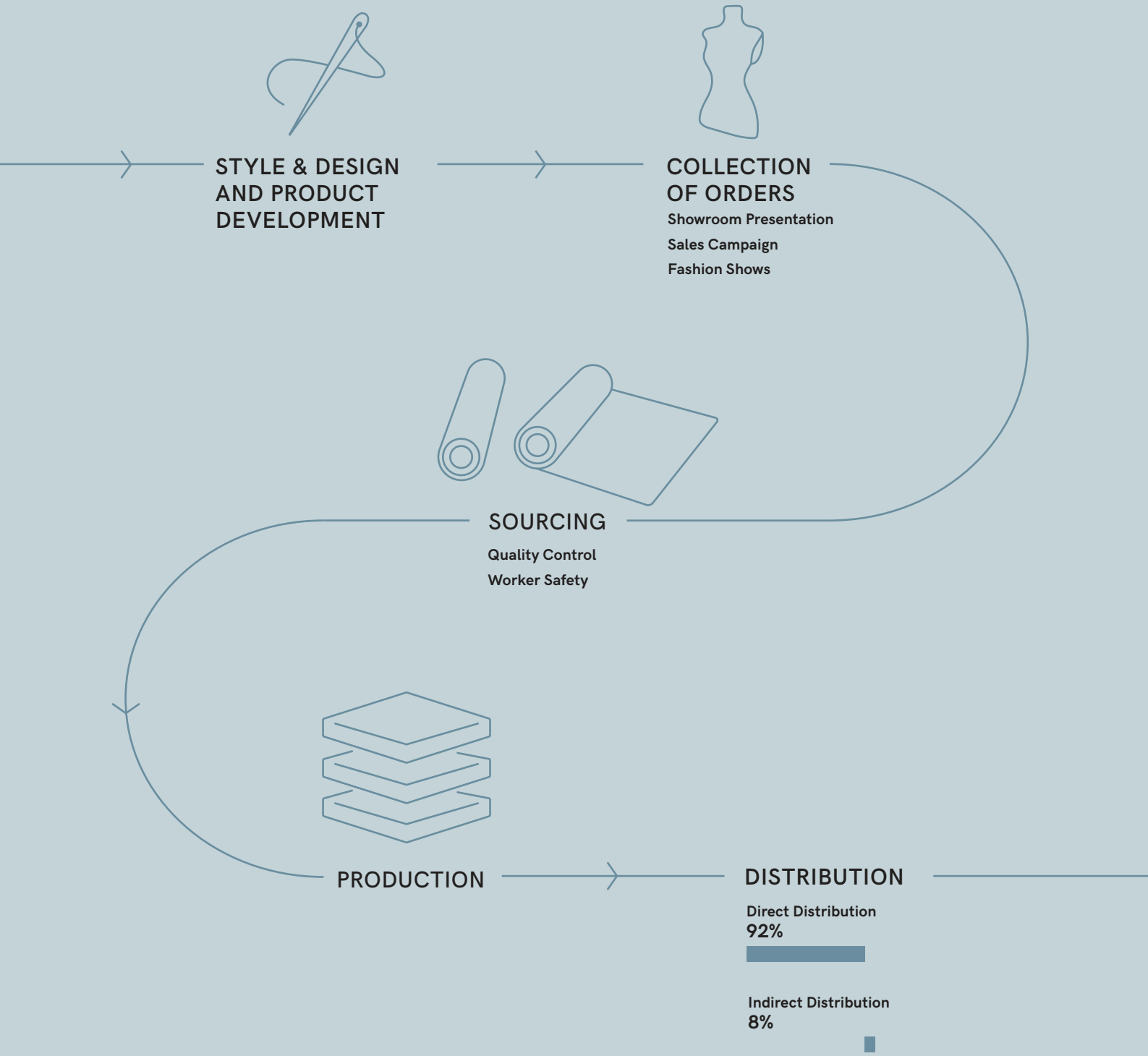
Luna Rossa
Luna Rossa is the Italian sailing team that has competed in six America's Cup, starting in 2000. Going beyond the definition of team, Luna Rossa represents the highest expression of sportsmanship and technological innovation whose project, throughout the years, has won the hearts of Italians and of all sailing enthusiasts around the world.

MIU MIU

Miu Miu L'Été 2025 campaign

Business model

The success of the Prada Group's brands is based on a business model that combines skilled heritage craftsmanship with innovative industrial manufacturing processes. This enables the Group to translate new ideas into successful products, while retaining flexibility and control over know-how, quality and sustainability standards, as well as production.



Creativity

Miuccia Prada's intellectual curiosity, her constant pursuit of new ideas, and her unique understanding and interpretation of culture and society underpin the Prada Group's creative process. Her singular vision has made it possible to establish a genuine design culture, based on method and discipline, which guides everyone who contributes to the Group's creative development.

The appointment in 2020 of Raf Simons alongside Miuccia Prada as Creative Co-Director of the Prada brand produced a new creative dynamic, reiterating the importance and power of dialogue and cooperation.

The entry of Versace further strengthens this creative ecosystem, bringing into the Prada Group's portfolio a distinct yet highly complementary vision, defined by a bold aesthetic, a powerful creative identity, and deep roots in the history of fashion.

Constant experimentation and idea-sharing are the essential components of the design process. The time spent at the drawing board, in the testing room and on research and development, is fundamental to creating each collection.

The Prada Group's creative spirit continues to attract talented people from all over the world.

Raw materials and production process

The Group's manufacturing approach is built on two pillars: continuous innovation, which advances skills and expertise, and a deep commitment to craftsmanship, vital for the production and value of each brand.

The quality of raw materials is fundamental to product excellence. Often, fabrics and leathers are custom-made for the Group's brands, meeting strict technical and style specifications to ensure superior quality.

The Group's products are crafted in 25 owned industrial facilities (23 in Italy, 1 in the UK and 1 in Romania) and by a network of carefully selected and monitored industrial manufacturers, which are supplied with raw materials, patterns and prototypes from the Group, allowing close oversight at every stage of production. This approach is designed to achieve outstanding workmanship and provide considerable flexibility in production organization.

Product quality gives the Group a competitive edge, which is reinforced by continuous research and experimentation with materials and techniques. Investments along the supply chain and in the workforce also play a crucial role. A significant number of the Company's production employees have been with the Prada Group for many years, ensuring both a high level of expertise and deep organizational knowledge. Through the Prada Group Academy, the Company is committed to passing on its manufacturing techniques and craftsmanship to future generations, thus preserving the values at the heart of its corporate heritage.

Distribution

Over the years, the Prada Group has strategically evolved its distribution network to include 843 DOS in key prestigious international shopping destinations, enhancing the image of each brand.

These stores do more than just sell products: they act as vital ambassadors, conveying each brand's image consistently, clearly and effectively.

Continuously updated, the Group's extensive network of stores remains a cornerstone of the Company's strategy, showcasing new collections and anchoring the omnichannel approach. E-commerce platforms complement the physical stores, offering a dynamic and integrated shopping experience.

The Group's deep interest in architecture is reflected in a number of revolutionary retail concepts developed with leading architectural firms such as Rem Koolhaas and Herzog & de Meuron. These unique stores, known as Epicenters, are located in New York, Los Angeles and Tokyo and also host cultural debates and events.

In recent years, the Group has selectively streamlined its wholesale channel, which includes department stores, multi-brand stores, franchisees and e-tailers, to ensure maximum quality of the partners and a more focused approach.

Image and communication

It is essential for the Prada Group's communication to go beyond commercial objectives and to involve stakeholders in the brands' ideas and values. A consistent and strong image, in line with the identity of each brand, is central to the Group's strategy. Fashion shows, advertising campaigns and media coverage are the main platforms for presenting the brands and for gaining visibility among international audiences and industry critics.

The Group leverages social networks, brand e-commerce sites, the corporate website, and digital platforms for direct and immediate engagement with its audience.

The brands' innovative and extraordinary special events are another important communication tool for the Group, enabling direct interaction with consumers in different local markets.

Moreover, Luna Rossa's participation in the prestigious America's Cup since 2000 has significantly increased Prada's visibility in the international sporting community, helping to build the brand's credibility in activewear and enhancing its technological expertise.

Sustainability

The Prada Group's strategic choices have always been guided by the desire to achieve success also for the benefit of all its stakeholders, be they shareholders, employees, customers or the communities in which the Group operates.

PRADA

unesco
SEA BEYOND
PRADA
Unipol
PIRELLI
Garofalo
PANERAI
LUNA ROSSA

J3
J3
PRADA

Over time, sustainability has been progressively integrated into the Group's business model and operations. Together with a continuous and transparent dialogue with stakeholders, sustainability has become a key to strengthening the Group's identity and competitive edge.

In 2021, the Prada Group developed its sustainability strategy based on three pillars - Planet, People and Culture - to consolidate its commitment to these issues and to set medium- and long-term goals.

The sustainability landscape is changing rapidly, as are the resulting risks and opportunities for the business. As such, the sustainability strategy is evolving, to be improved and updated constantly in order to respond to the needs and expectations of the Group's stakeholders and the changing market conditions in which it operates.

In order to meet current and future challenges and to ensure long-term sustainable development across the entire value chain, the Prada Group has also strengthened its ESG governance, in particular by establishing a Sustainability Committee in early 2022, which plays an active advisory role and assists the Board of Directors in assessing and making decisions on sustainability issues.

The Group publishes an annual Sustainability Report that communicates its progress on its sustainability roadmap. The Sustainability Report is prepared in accordance with GRI Standards.

Planet

The Planet pillar sets the course for reducing the Group's environmental impact. It brings together the targets approved by the Science-Based Targets initiative (SBTi) for the reduction of Scope 1, 2 and 3 greenhouse gas emissions, the shift toward alternative, lower impact materials for both finished products and packaging, and a more circular approach in the production. The pillar also includes traceability, a key element for the raw materials transition plan and other relevant strategic initiative for nature, such as the water stewardship program.

People

This pillar includes initiatives to promote and enhance diversity, equality and inclusion, and to foster an inclusive culture based on respect for each individual at all levels of the organisation. It also includes a long-term investment plan to preserve craftsmanship and develop new talent, positioning the Prada Group as a beacon of excellence for new generations. Respect for and protection of the Group's employees is another key element, along with greater monitoring of employee engagement levels to improve their personal and professional wellbeing.

In 2025 Global People Culture Forums have been established to bring together the Group's global leadership team, promoting structured and ongoing exchanges on the People agenda, with the overarching goal of strengthening our practices related to wellbeing, work-life balance and fairness.

DRIVERS OF CHANGE

PRADA Group

for PLANET

We commit to shaping our operations to reduce our footprint

Mitigate our impact on climate change

Preserve the ecosystems

Embrace circular thinking

for PEOPLE

We commit to an inclusive, creative and fair workplace

Champion diversity and promote inclusion

Foster creativity and know-how preservation

Ensure wellbeing and fair workplace

for CULTURE

We commit to sharing our values and to build a sustainable society

Contribute to cultural debate

Further sustainability literacy

Inspire scientific evolution

with PARTNERS

we commit to engaging with our partners to strengthen our sustainability paths

Culture

The Culture pillar reflects the Group's ongoing commitment to preserving and sharing Italian and international cultural heritage, as well as supporting nature and science, and highlights the Group's important ongoing role as an educator and promoter of new ideas.

Miuccia Prada and Patrizio Bertelli's passion for art and culture have inspired the Group to support the multidisciplinary activities of Fondazione Prada[1] from 1993 to the present. In its first two decades of activity, Fondazione Prada commissioned utopian projects and monographs in Italy and abroad to recognized international figures, as well as established and emerging artists. Since 2002, it has undertaken research studies of subjects which had previously been unexplored, through conferences of philosophical nature, exhibitions about architecture and initiatives focused on cinema. A vast network of collaborations with artists, curators, scientists, scholars, filmmakers, architects, musicians, and intellectuals, offering an extensive cultural program within its three Italian venues, two in Milan and one in Venice, opened respectively in 2015 and 2011, as well as Shanghai, Tokyo since 2018, establishes a dialogue with an international and plural audience. Fondazione Prada fosters participation and inclusivity by embracing a multiplicity of identities, sensibilities and paradigms raised by communities and individuals. Particular attention is paid to youth and their development through a series of projects conceived for children and students, as well as educational and exhibition activities created in collaboration with Italian and international schools, universities, and research centers in the fields of visual arts, science, and humanities.

[1] Fondazione Prada is an external entity of the Prada Group. The collaboration between the two parties is active in the form of sponsorship.

Prada Rong Zhai, Shanghai

Prada Group Structure

Prada S.p.A.
Milan
Holding/Manufacturing/Distribution
Services/Retail

- 100% **IPI Logistica S.r.l.** Milan — Services
- 100% **Hipic Prod Impex S.r.l.** Sibiu — Production
- 100% **Figline S.r.l.** Milan — Production
- 100% **Pelletteria Scandicci S.r.l.** Valvigna — Under Liquidation
- 66.7% **Artisans Shoes S.r.l.** Montegranaro — Production
- 40% **Les Femmes S.r.l.** Porto S. Elpidio — Production
- 48.49% **Filati Biagioli Modesto S.r.l.** Montale — Production
- 15% **Luigi Fedeli e Figlio S.r.l.** Monza — Production
- 40% **Effepì S.r.l.** Senigallia — Production
- 30% **Crispino S.r.l.** Porto S. Elpidio — Production
- 10% **Rino Mastrotto Group S.p.A.** Trissino — Production
- 40% **Mebagroup S.r.l.** Gubbio — Production
- 100% **Church & Co ltd** Northampton — Manufacturing/Services
  - 100% **Church & Co (Footwear) ltd** Northampton — Trademarks
  - 100% **Church UK Retail ltd** Northampton — Under Liquidation
- 100% **Prada Canada Corp** Toronto — Distribution/Retail
- 100% **Post Development Corp** New York — Real Estate
- 100% **Prada USA Corp** New York — Distribution/Services/Retail
  - 100% **Prada Guam llc** Guam — Retail
  - 100% **Prada Retail Mexico S. de R.L. de C.V.** Mexico City — Retail
  - 100% **Prada USA Cafe Corp** Delaware — Dormant
- 100% **Prada Brasil Importação e Comércio de Artigos de Luxo ltda** São Paulo — Retail
- 100% **Prada Panama sa** Panama — Dormant
- 100% **Prada Retail Aruba nv** Aruba — Retail
- 100% **Prada Saint Barthelemy sarl** Gustavia — Retail
- 100% **Prada Australia pty ltd** Sydney — Retail
- 100% **Prada Korea llc** Seoul — Retail
- 100% **Prada Singapore pte ltd** Singapore — Retail
- 100% **Prada Retail Malaysia sdn bhd** Kuala Lumpur — Retail
- 100% **Prada Japan Co ltd** Tokyo — Retail
- 100% **Prada (Thailand) Co ltd** Bangkok — Retail
- 100% **Prada New Zealand ltd** Wellington — Retail
- 100% **Prada Vietnam Limited Liability Company** Hanoi — Retail
- 60% **Prada Philippines Inc.** Manila — Retail
- 100% **Prada Asia Pacific ltd** Hong Kong — Services/Retail
  - **Prada Taiwan ltd** Hong Kong — Retail
    - **Taipei Branch** Taipei — Retail
  - 100% **Prada Trading (Shanghai) Co ltd** Shanghai — Dormant
  - 100% **Prada Fashion Commerce (Shanghai) Co ltd** Shanghai — Retail
  - 100% **Prada Macau Co ltd** Macau — Retail
  - 100% **Prada Dongguan Trading Co ltd** Dongguan — Services
- 79% **Prada Middle East fzco** Jebel Ali Free Zone-Dubai — Distribution/Services
  - 49% **Prada Emirates llc** Dubai — Retail
  - 49% **Prada Kuwait wll** Kuwait City — Retail
- 100% **Prada Retail wll** Doha — Retail
- 100% **Prada Saudi Arabia ltd** Jeddah — Retail
- 100% **Prada Bahrain wll** Manama — Retail
- 100% **Prada Rus llc** Moscow — Retail
- 100% **Prada Ukraine llc** Kiev — Retail
- 100% **Prada Kazakhstan llp** Almaty — Retail
- 100% **Prada Retail South Africa (pty) ltd** Sandton — Dormant

- 100% **Prada Retail France sas** Paris Retail
- 100% **Prada Monte-Carlo sam** Monaco Retail
- 100% **Prada Belgium sprl** Brussels Retail
- 100% **Prada Germany gmbh** Munich Retail/Services
- 100% **Prada Austria gmbh** Vienna Retail
- 100% **Prada Czech Republic sro** Prague Retail
- 100% **Prada Netherlands bv** Amsterdam Retail
- 100% **Prada Switzerland sa** Lugano Retail
- 100% **Prada Spain sl** Madrid Retail
- 100% **Prada Portugal Unipessoal lda** Lisbon Retail
- 100% **Prada Hellas Sole Partner llc** Athens Retail
- 100% **Prada Bosphorus Deri Mamüller ltd Sirketi** Istanbul Retail
- 100% **Prada Retail UK ltd** London Retail
  - **Ireland Branch** Dublin Retail
- 100% **Prada Denmark aps** Copenhagen Retail
- 100% **Prada Sweden ab** Stockholm Retail
- 100% **Prada Norway as** Oslo Retail
- 100% **Prada San Marino S.r.l.** San Marino Retail
- 100% **Kenon ltd** London Real Estate

- 100% **Marchesi 1824 S.r.l.** Milan Food&Beverage
  - **UK Branch** London Food&Beverage
- 100% **Luna Rossa Challenge S.r.l.** Grosseto Management of Sailing Team
- 100% **Prada sa** Luxembourg Trademarks
  - **Swiss Branch** Lugano Services

- **GIVI Holding S.r.l.** Milan Holding 100%
  - **Gianni Versace S.r.l.** Milan Manufacturing/Distribution/Services/Retail/Trademarks 100%
    - 100% **Versace France S.A.** Paris Retail
    - 100% **Versace Monte-Carlo S.A.M.** Monaco Retail
    - 100% **Versace Belgique S.A.** Brussels Retail
      - **Versace Nederland Branch** Roermond Retail
    - 100% **Versace Austria GmbH** Vienna Retail
    - 100% **Versace Deutschland GmbH** Frankfurt am Main Retail
    - 100% **Versace Czech s.r.o.** Prague Retail
    - 100% **Versace Suisse S.A.** Mendrisio Retail
    - 100% **Versace U.K. Ltd** London Retail
    - 100% **Versace España, S.A.U.** Madrid Retail
      - **Versace España, S.A.U. - Sucursal em Portugal** Lisbon Retail
    - 100% **Gianni Versace Hellas S.A.** Piraeus Dormant
    - 100% **Creek Apartments Limited** Dubai Real Estate
    - 100% **Versace Korea Co., Ltd** Seoul Retail
    - 100% **Versace Australia Pty Limited** Sydney Retail
      - **Versace New Zealand Branch** Auckland Retail
    - 100% **Versace Taiwan Co., Ltd** Taiwan Retail
    - 100% **Versace Singapore Pte. Ltd.** Singapore Retail
    - 100% **Versace (Thailand) Co., Ltd.** Bangkok Retail
    - 100% **Versace Malaysia Sdn. Bhd.** Kuala Lampur Retail
    - 100% **Versace Japan Co., Ltd.** Tokyo Retail
    - 100% **Versace Asia Pacific Ltd.** Hong Kong Retail
      - 100% **Versace China Ltd.** Beijing Retail
      - 100% **Versace Shanghai Ltd.** Shanghai Retail
      - 5% **Versace Macau Ltd.** Macau Retail 95%
    - 100% **Versace do Brasil Importaçao e Distribuçao de Produtos de Vestuário e Acessórios Ltda** São Paulo Dormant
    - 100% **Versace Canada, Inc.** Vancouver Retail
    - 100% **Versace USA, Inc.** New York Retail
      - **Puerto Rico Branch** San Juan Retail

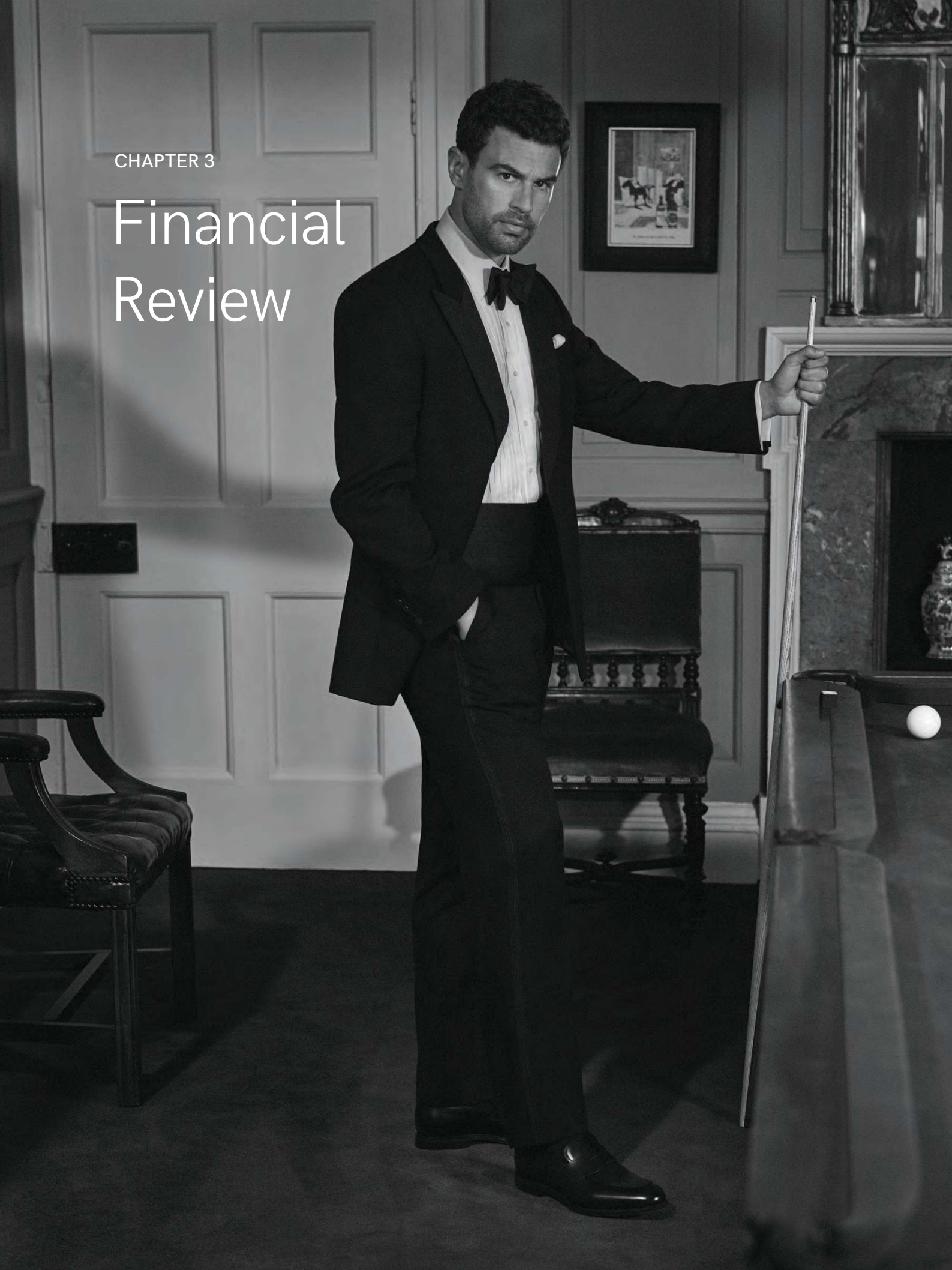
Prada S.p.A. - Corporate information

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	Patrizio Bertelli (Chairman of the Board & Executive Director) Paolo Zannoni (Executive Deputy Chairman of the Board & Executive Director) Andrea Guerra (Chief Executive Officer & Executive Director) Miuccia Prada Bianchi (Executive Director) Andrea Bonini (Chief Financial Officer & Executive Director) Lorenzo Bertelli (Executive Director) Yoël Zaoui (Lead Independent Director & Independent Non-Executive Director) Ilaria Resta (Independent Non-Executive Director) Cristiana Ruella (Independent Non-Executive Director) Pamela Yvonne Culpepper (Independent Non-Executive Director) Anna Maria Rugarli (Independent Non-Executive Director)
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. Decree 231/2001)	Stefania Chiaruttini (Chairwoman) Armando Simbari Roberto Spada
Main Shareholder	Prada Holding S.p.A. Corso Italia, 22 - 20122 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.	Annie Man Wai Au 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.)
Independent Auditor	KPMG S.p.A. *Public Interest Entity Auditor recognised in accordance with the Accounting and Financial Reporting Council Ordinance* Via Giovanni Battista Pirelli - 20124 Milan, Italy

CHAPTER 3

Financial Review



Basis of preparation

The Financial Review refers to the group of companies controlled by Prada S.p.A. ("Prada" or the "Company"), the operating parent of the Prada Group (the "Group" or "Prada Group"), and it is based on the Consolidated Financial Statements for the year ended December 31, 2025. This Financial Review should be read in connection with the Consolidated Financial Statements and related Notes, which are an integral part thereof.

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

Consolidated Statement of profit or loss (includes non-IFRS measures)

(amounts in thousands of Euro)	twelve months ended December 31 2025	% on net revenues	twelve months ended December 31 2024 (*)	% on net revenues	change	% change
Net sales	5,572,512	97.5%	5,310,026	97.8%	262,486	4.9%
Royalties	145,009	2.5%	121,531	2.2%	23,478	19.3%
Net revenues	5,717,521	100%	5,431,557	100%	285,964	5.3%
Cost of goods sold	(1,125,444)	-19.7%	(1,094,865)	-20.2%	(30,579)	2.8%
Gross margin	4,592,077	80.3%	4,336,692	79.8%	255,385	5.9%
Product design and development costs	(160,261)	-2.8%	(158,084)	-2.9%	(2,177)	1.4%
Advertising and communications costs	(537,198)	-9.4%	(473,095)	-8.7%	(64,103)	13.5%
Selling costs	(2,206,190)	-38.6%	(2,082,752)	-38.3%	(123,438)	5.9%
General and administrative costs	(364,782)	-6.4%	(343,211)	-6.3%	(21,571)	6.3%
Operating expenses	(3,268,431)	-57.2%	(3,057,142)	-56.3%	(211,289)	6.9%
Recurring operating income – EBIT Adjusted (**)	1,323,646	23.2%	1,279,550	23.6%	44,096	3.4%
Non-recurring expenses	(24,606)	-0.4%	-	-	(24,606)	N/A
Operating income – EBIT (***)	1,299,040	22.7%	1,279,550	23.6%	19,490	1.5%
Interest and other financial expenses	(34,531)	-0.6%	(40,410)	-0.7%	5,879	-14.5%
Interest and other financial income	24,539	0.4%	19,206	0.4%	5,333	27.8%
Interest expenses on lease liabilities	(87,764)	-1.5%	(69,623)	-1.3%	(18,141)	26.1%
Net financial expenses	(97,756)	-1.7%	(90,827)	-1.7%	(6,929)	7.6%
Profit before income taxes	1,201,284	21.0%	1,188,723	21.9%	12,561	1.1%
Income taxes	(346,362)	-6.1%	(345,323)	-6.4%	(1,039)	0.3%
Profit for the year	854,922	15.0%	843,400	15.5%	11,522	1.4%
Profit for the year attributable to non-controlling interests	2,986	0.1%	4,493	0.1%	(1,507)	-33.5%
Profit for the year attributable to the owners of Prada S.p.A.	851,936	14.9%	838,907	15.4%	13,029	1.6%

(*) Please refer to Note 2 to the Consolidated Financial Statements for additional information
(**) Non-IFRS measure equal to EBIT before non-recurring expenses
(***) Non-IFRS measure equal to earnings before net financial expenses and income taxes

Key financial information

Key economic indicators (amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024
Net revenues	5,717,521	5,431,557
EBIT Adjusted (*)	1,323,646	1,279,550
% incidence on net revenues	23.2%	23.6%
EBIT (**)	1,299,040	1,279,550
% incidence on net revenues	22.7%	23.6%
Profit for the year attributable to the owners of Prada S.p.A.	851,936	838,907
Basic and diluted earnings per share (Euro)	0.333	0.328
Net operating cash flow (***)	1,201,882	1,212,784

(*) Non-IFRS measure equal to EBIT before non-recurring expenses
(**) Non-IFRS measure equal to earnings before net financial expenses and income taxes
(***) Non-IFRS measure equal to net cash flow from operating activities less payment of lease liabilities

Key financial position indicators (amounts in thousands of Euro)	December 31 2025	December 31 2024 (*)
Net operating working capital (**)	899,342	808,278
Net invested capital (***)	8,223,456	6,128,888
Net financial position - surplus / (deficit) (****)	(465,810)	599,602
Equity attributable to the owners of Prada S.p.A.	4,644,229	4,333,312

(*) Please refer to Note 2 to the Consolidated Financial Statements for additional information
(**) Non-IFRS measure equal to the sum of trade receivables, inventories and trade payables
(***) Non-IFRS measure equal to the sum of total equity, lease liabilities and net financial position
(****) Non-IFRS measure equal to current and non-current financial liabilities due to third parties and related parties, less cash and cash equivalents and current and non-current financial assets with third parties and related parties

2025 Highlights

The Prada Group reports another year of sound results as enduring brand relevance and rigorous execution drove a positive performance in a challenging environment. The acquisition of Versace marked a significant milestone in the strategic evolution of the Group, adding a highly complementary brand to the portfolio.

Group's net revenues grew by 9% at constant exchange rates compared to 2024, +8% on an organic basis[1], a performance delivered against high comps throughout the period and marking 5 consecutive years of growth for the Group.

At brand level, Prada delivered a solid and resilient performance with retail net sales at -1% in the 12 months. Miu Miu confirmed a sustained trajectory with retail net sales up by 35% in 2025.

The EBIT Adjusted margin at 23.2% reflects the dilutive impact of Versace consolidation; excluding Versace, margins were steady in a context of significant investments and fx headwinds. The Group closes the year with a healthy balance sheet thanks to significant cash generation: the net financial deficit of Euro 466 million reflects capex cash-out of Euro 595 million and the financing of the acquisition of Versace.

[1] Calculated at constant exchange rates, excluding the contribution of Versace

As for Prada, the brand continued to express its ability to innovate through trend-setting fashion shows and successful product launches, spanning from new propositions to the reinterpretation of the icons, driving a well-balanced performance.

Enhanced retail concepts contributed to strengthening client engagement: new hospitality venues in Shanghai and Singapore, the landmark retail opening in New York and the refined setting of Prada Alexandra House in Hong Kong are some of the key milestones in the evolution of the store footprint over the year.

Through initiatives such as Prada Mode, Prada Frames and Sound of Prada, the brand continued to shape the cultural conversation.

At Miu Miu, the brand's vibrant creativity, whose irreverent language continued to offer portraits of multifaceted femininity, fascinated the audience with resonant campaigns and fashion shows.

A mix of openings and renovations elevated the store network for an enhanced customer journey: Wuhan, London and Tokyo were among the most significant projects unveiled over the period.

Through special initiatives such as 30 Blizzards and signature formats including Tales & Tellers, Women's Tales, Literary Club and Summer Reads, Miu Miu's voice continued to be at the forefront of the cultural debate, engaging with its community in intimate conversations on female empowerment.

On the retail front, in line with the strategic objective of elevating the relationship with customers, investments were concentrated on the enhancement of the store presence with controlled new openings and enlargements at both Prada and Miu Miu. Following 31 openings and 17 closures over the period, and the integration of 220 stores of Versace, the Group ends the year with 843 Directly Operated Stores.

Strengthening of the industrial capabilities continued to be an area of focus, as the Group kept expanding its production premises and reinforced its control over highly strategic phases of the production process. The announcement in June of a minority investment in Rino Mastrotto, a global provider of materials and bespoke services for the luxury industry, is a testament to the Group's drive to foster long-term industrial development with longstanding partners.

On the information systems front, the Group continued to progress its digital evolution journey while starting to reap the benefits of the multi-year investment effort in the area.

Finally, the Group continued to execute its sustainability strategy across all pillars: Planet, People, Culture.

Throughout the year, the Group further advanced its environmental agenda through targeted initiatives across its operations and supply chain. Investments in green energy and low-impact solutions enabled the Group to exceed its approved science-based target for Scope 1 and 2 GHG emissions, alongside continued progress in raw-materials conversion towards lower impact solutions, supply-chain data collection, water stewardship and responsible chemical management.

The Group also reinforced its long-term commitment to fostering a fair and inclusive workplace. Key milestones include the achievement of the Gender Equality Certification (UNI/PdR 125:2022) and the rollout of Worldwide People Culture Forums, together with training programmes supporting the implementation of the Global DE&I roadmap. The year also marked the 25th anniversary of the Prada Group Academy, a testament to the Group's long-standing commitment to preserving artisanal know-how and overseeing the generational transition.

In partnership with UNESCO, through the SEA BEYOND project, the Group strengthened its commitment to ocean education. This included the opening of the first Ocean Literacy Centre in Venice, the launch of the SEA BEYOND Multi-Partner Trust Fund for Connecting People and Ocean, and the hosting of an educational exhibition at Prada Rong Zhai in Shanghai. Successful partnerships with Forestami, promoting awareness of the value of urban greenery, and with Fondazione Gianni Bonadonna, supporting cancer research, were also renewed during the year.

As for Versace, since completion of the acquisition, announced on December 2nd, the governance of the brand has been strengthened at both strategic and creative level with the confirmation of Emmanuel Gintzburger as the brand's CEO, the appointment of Lorenzo Bertelli as Executive Chairman and Pieter Mulier as Chief Creative Officer.

Alongside the creative transition, gradual channel repositioning will be a key strategic priority, with specific focus on supporting high-quality, full-price sales and distribution, and the sharing of retail routines and best practices to elevate in-store execution. The integration process is well underway across functions, with full separation from Capri Holdings expected to be completed in the second half of 2026.

Looking at 2027 and beyond, efforts will be concentrated on driving desirability, with the introduction of Pieter Mulier's first collection rooted in the brand's original spirit and DNA. Network optimisation will progress through the evolution of key retail and wholesale doors and the gradual rationalisation of the off-price channel and markdown practices, while retail productivity will start benefitting from the consolidation of the retail excellence mindset. In parallel, the Group will continue to progress the integration of relevant functions, alongside the convergence of the Prada Group's and Versace's digital transformation journeys.

In 2025, Versace reported net revenues of Euro 684 million. In 2026, the creative leadership transition and the initial repositioning steps are expected to translate into some degree of topline contraction. The Group has taken decisive action on operating expenses, generating initial synergies and savings that will be selectively reinvested in strategic areas. Versace incurred operating losses in 2025 and, all above factors considered, it is expected to continue incurring operating losses of not dissimilar magnitude in 2026.

Analysis of net revenues

(amounts in thousands of Euro)	twelve months ended December 31 2025		twelve months ended December 31 2024		% change current exc. rates	% change constant exc. rates (*)	% organic change constant exc. rates (**)	Q4-25 vs Q4-24 % change constant exc. rates (*)
Net revenues								
Retail net sales (Directly Operated Stores and e-commerce)	5,101,790	89.2%	4,849,208	89.3%	5.2%	9.3%	8.2%	9.3%
Wholesale net sales (independent customers and franchisees)	470,722	8.2%	460,818	8.5%	2.1%	4.3%	2.6%	4.1%
Royalties	145,009	2.5%	121,531	2.2%	19.3%	19.3%	14.2%	42.4%
Total net revenues	5,717,521	100%	5,431,557	100%	5.3%	9.1%	7.8%	9.5%
Retail net sales by brand								
Prada	3,392,861	66.5%	3,563,376	73.5%	-4.8%	-1.0%	-1.0%	0.4%
Miu Miu	1,594,581	31.3%	1,228,053	25.3%	29.8%	34.8%	34.8%	19.7%
Versace (***)	51,343	1.0%	-	-	-	-	-	-
Church's	33,688	0.7%	31,659	0.7%	6.4%	7.1%	7.1%	9.4%
Others	29,317	0.6%	26,120	0.5%	12.2%	12.7%	12.7%	13.3%
Total retail net sales	5,101,790	100%	4,849,208	100%	5.2%	9.3%	8.2%	9.3%
Retail net sales by geographic area								
Asia Pacific	1,699,448	33.3%	1,604,413	33.1%	5.9%	10.9%	10.0%	12.0%
Europe	1,562,797	30.6%	1,531,622	31.6%	2.0%	4.7%	3.9%	0.9%
Americas	932,047	18.3%	829,809	17.1%	12.3%	17.7%	15.0%	24.2%
Japan	656,101	12.9%	656,431	13.5%	-0.1%	3.1%	2.8%	4.4%
Middle East	251,397	4.9%	226,933	4.7%	10.8%	15.5%	15.5%	3.4%
Total retail net sales	5,101,790	100%	4,849,208	100%	5.2%	9.3%	8.2%	9.3%

(*) calculated by applying 2024 exchange rates to 2025 figures, excluding the effect of the hyperinflation in Turkey
(**) calculated at constant exchange rates, excluding the contribution of Versace
(***) consolidated from December 2, 2025

In the comments below all changes are at constant exchange rates, unless differently specified.

The Prada Group generated net revenues of Euro 5,717.5 million in the twelve months ended December 31, 2025, up 9.1% compared with 2024 (+7.8% organic growth). Exchange rate fluctuations had a negative impact of 3.8 percentage points, resulting in reported growth of 5.3%.

Retail net sales increased by 9.3% compared with the same period of 2024 (+8.2% organic growth), driven by full-price like-for-like sales. In the fourth quarter, the Group recorded a solid performance, with sales up 9.3% year-on-year despite challenging comps. Over the period, retail net sales accounted for 89.2% of total net revenues, in line with 2024.

Net sales in the wholesale channel increased by 4.3% (+2.6% organic growth) compared with the corresponding period of 2024, driven by a highly selective approach to independent partners.

Royalty income grew by 19.3% year-on-year (+14.2% organic growth), supported by contributions from both eyewear and fragrances.

Number of stores

As of December 31, 2025, the Group operated 843 stores, following 31 openings and 17 closures. The integration of Versace contributed to 220 additional stores, primarily located in Asia Pacific (107) and Americas (45).

	December 31, 2025		December 31, 2024		December 31, 2023	
	Owned	Franchises	Owned	Franchises	Owned	Franchises
Prada	423	16	425	17	428	20
Versace (*)	220	-	-	-	-	-
Miu Miu	162	6	147	6	141	5
Church's	27	-	28	-	28	-
Car Shoe	2	-	2	-	2	-
Marchesi 1824 and other Food and Beverage	9	-	7	-	7	-
Total	843	22	609	23	606	25

	December 31, 2025		December 31, 2024		December 31, 2023	
	Owned	Franchises	Owned	Franchises	Owned	Franchises
Asia Pacific	318	20	215	21	196	23
Europe	245	-	197	-	200	-
Americas	145	-	93	-	102	-
Japan	107	-	80	-	85	-
Middle East	28	2	24	2	23	2
Total	843	22	609	23	606	25

(*) consolidated from December 2, 2025

Brands

Prada retail net sales remained resilient over the period, reflecting solid strategic positioning, with full-year performance broadly flat year-on-year. In the fourth quarter, sales showed sequential improvement and returned to growth despite more challenging comps.

Miu Miu retail net sales rose by 34.8% for the year, maintaining sustained growth throughout the quarters despite very high comps. The fourth quarter recorded solid performance (+19.7%), supported by well balanced growth across categories and regions.

Church's retail net sales maintained a positive trajectory, driven by like-for-like growth, and increased by 7.1% compared with the prior year.

Net revenues by brand amounted to Euro 3,795.6 million for Prada, Euro 1,786.8 million for Miu Miu, Euro 65.1 million for Versace, Euro 39.5 million for Church's, and Euro 30.6 million for the other brands.

(amounts in thousands of Euro)	twelve months ended December 31 2025		twelve months ended December 31 2024		% change current exc. rates	% change constant exc. rates (*)	Q4-25 vs Q4-24 % change constant exc. rates (*)
Net revenues by brand							
Prada	3,795,574	66.4%	3,988,090	73.4%	-4.8%	-1.3%	0.1%
Miu Miu	1,786,788	31.3%	1,377,934	25.4%	29.7%	34.3%	19.1%
Versace (**)	65,078	1.1%	-	-	-	-	-
Church's	39,512	0.7%	37,628	0.7%	5.0%	5.7%	8.5%
Other	30,569	0.5%	27,905	0.5%	9.5%	9.9%	14.3%
Total net revenues	5,717,521	100%	5,431,557	100%	5.3%	9.1%	9.5%

(*) calculated by applying 2024 exchange rates to 2025 figures, excluding the effect of the hyperinflation in Turkey
(**) consolidated from December 2, 2025

Markets

Over the period, the Group delivered growth across all regions.

In Asia-Pacific, retail net sales increased by 10.9% (+10.0% organic growth), showing good progression over the year, with fourth-quarter performance broadly in line with the third quarter notwithstanding higher comps.

Europe recorded a positive performance, with retail net sales up 4.7% (+3.9% organic growth); trends softened in the second half of the year, as local consumption faced strong comps and tourism flows moderated.

In the Americas, retail net sales rose by 17.7% (+15.0% organic growth), delivering consistent double-digit growth supported by local demand.

Japan reported retail net sales growth of 3.1% (+2.8% organic growth) against exceptionally high tourism levels in the prior year, with quarter-on-quarter improvement in the fourth quarter despite heightened geopolitical tensions.

Retail net sales in the Middle East also performed solidly (+15.5%), with the second half moderating on high comps.

Wholesale net sales by geographic area amounted to Euro 219.1 million in Europe, Euro 149.2 million in Asia-Pacific, Euro 96.0 million in the Americas, Euro 2.4 million in the Middle East, Euro 0.6 million in Japan and Euro 3.4 million in other countries.

Royalties were entirely attributable to Europe.

Operating results

For the twelve-month period ended December 31, 2025, gross margin amounted to 80.3% of net revenues, compared with 79.8% in 2024.

Operating expenses, excluding non-recurring items, amounted to Euro 3,268.4 million, up Euro 211.3 million year-on-year. The increase was mainly attributable to higher variable costs linked to business growth, together with increases in rental expenses, personnel expenses, marketing and communication costs and depreciation. The Group also continued its investments in information systems and digital transformation across retail, manufacturing and corporate areas.

Recurring operating income (or EBIT adjusted) for the period amounted to Euro 1,323.6 million, representing 23.2% of net revenues, including the dilutive impact of the Versace acquisition, compared with Euro 1,279.6 million (23.6% of net revenues) in 2024.

Non-recurring expenses mainly related to transaction costs incurred in connection with the acquisition of Versace from Capri Holdings Ltd., completed on December 2, 2025.

Operating income for the period (or EBIT) amounted to Euro 1,299.0 million, representing 22.7% of net revenues, compared with Euro 1,279.6 million (23.6% of net revenues) in 2024.

Net financial expenses and income taxes

Net financial expenses amounted to Euro 97.8 million, an increase of Euro 6.9 million compared with 2024. The change mainly reflected higher interest expense on lease liabilities, partially offset by lower interest on borrowings and higher interest income on bank deposits.

Income taxes for the twelve months ended December 31, 2025 totalled Euro 346.4 million, corresponding to an effective tax rate of 28.8% of profit before income taxes.

Profit for the year

Profit for the year amounted to Euro 854.9 million, representing 15.0% of net revenues, compared with Euro 843.4 million (15.5% of net revenues) in 2024.

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)	December 31 2025	December 31 2024(*)
Right of use assets	2,983,620	2,278,955
Non-current assets (excluding deferred tax assets), net	4,552,692	3,260,523
Trade receivables	468,466	423,733
Inventories	1,059,042	866,160
Trade payables	(628,166)	(481,615)
Net operating working capital (**)	899,342	808,278
Other current assets, net	242,502	182,918
Other current liabilities (excluding items of financial position)	(596,214)	(567,332)
Other current assets / (liabilities), net	(353,712)	(384,414)
Provisions for risks and charges	(83,336)	(64,284)
Long-term employee benefits	(75,928)	(81,749)
Other long-term liabilities, net	(48,322)	(53,976)
Deferred taxes, net	349,100	365,555
Other non-current assets / (liabilities), net	141,514	165,546
Net invested capital (***)	8,223,456	6,128,888
Equity attributable to the owners of Prada S.p.A.	(4,644,229)	(4,333,312)
Equity attributable to non-controlling interests	(21,538)	(20,065)
Total equity	(4,665,767)	(4,353,377)
Non-current financial deficit, net	(1,287,688)	(220,572)
Current financial surplus, net	821,878	820,174
Net financial position - surplus / (deficit) (****)	(465,810)	599,602
Net financial position - surplus / (deficit) to total equity ratio	10.0%	-13.8%
Lease liabilities - non-current	(2,567,180)	(1,940,978)
Lease liabilities - current	(524,699)	(434,135)
Total lease liabilities	(3,091,879)	(2,375,113)
Net financial position - surplus / (deficit), including lease liabilities (*****)	(3,557,689)	(1,775,511)
Total equity and net financial position - surplus / (deficit), including lease liabilities	(8,223,456)	(6,128,888)

(*) Please refer to Note 2 for additional information
(**) Non-IFRS measure equal to the sum of trade receivables, inventories and trade payables
(***) Non-IFRS measure equal to the sum of total equity, lease liabilities and net financial position
(****) Non-IFRS measure equal to current and non-current financial liabilities due to third parties and related parties, less cash and cash equivalents and current and non-current financial assets with third parties and related parties
(*****) Non-IFRS measure equal to net financial position, including lease liabilities

Net invested capital as of December 31, 2025 amounted to Euro 8,223 million, comprising (i) total equity of Euro 4,666 million, (ii) lease liabilities of Euro 3,092 million and (iii) a net financial deficit of Euro 465.8 million.

Right of use assets increased by Euro 704.7 million, mainly reflecting new leases and remeasurements of existing leases totalling Euro 868.3 million, less depreciation for Euro 485.8 million, contract terminations of Euro 5.9 million and negative foreign exchange rate differences of Euro 162.9 million. The Versace acquisition contributed Euro 486.8 million.

Non-current assets (excluding deferred tax assets), net, rose by Euro 1,292 million to Euro 4,553 million as of December 31, 2025, compared with Euro 3,261 million as of December 31, 2024. The change primarily reflects capital expenditure of Euro 617.4 million, less amortisation and depreciation for Euro 335.1 million, investments in non-consolidated entities of Euro 29.9 million (acquisition of a 10% stake in the Rino Mastrotto Group) and negative foreign exchange rate

differences of Euro 110.2 million. The contribution from the Versace acquisition amounted to Euro 1,083 million, including provisional goodwill of Euro 1,002 million.

Total capital expenditure for property, plant and equipment and intangible assets in the twelve months ended December 31, 2025 amounted to Euro 617.4 million, as detailed below:

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024
Retail	320,531	324,039
Real estate	82,895	30,855
Industrial, logistics and corporate	214,007	138,360
Total	617,433	493,254

The Group continued to strengthen its business, investing in the enhancement of its store network through selected new openings and enlargements, reinforcing its industrial capabilities and further advancing its technological and digital roadmap, as multi-year initiatives begin to deliver results.

Net operating working capital as of December 31, 2025 amounted to Euro 899.3 million, an increase of Euro 91.1 million compared with December 31, 2024. The change mainly reflected higher trade receivables of Euro 44.7 million and inventories of Euro 192.9 million, partly offset by an increase in trade payables of Euro 146.6 million. The contribution of the Versace acquisition to net operating working capital at period-end amounted to Euro 146.4 million. Excluding this contribution, the Group demonstrated effective working capital management, with overall ratios improving as a percentage of sales.

Other current assets/(liabilities), net, amounted to Euro 353.7 million as of December 31, 2025, compared with Euro 384.4 million as of December 31, 2024. The change mainly reflects the impact of the Versace acquisition and prepaid expenses relating to Luna Rossa's participation in the upcoming 38th America's Cup.

Other non-current assets/(liabilities), net, amounted to Euro 141.5 million as of December 31, 2025, a decrease of Euro 24.0 million compared with 2024, mainly reflecting provisions related to contractual obligations to restore leased commercial property and changes in deferred taxes.

Net financial position

The following table provides details of the net financial position:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Non-current financial liabilities	(1,292,505)	(220,941)
Current financial liabilities and bank overdrafts	(439,861)	(183,247)
Liabilities due to related parties - current	-	(8,149)
Total financial liabilities	(1,732,366)	(412,337)
Cash and cash equivalents	1,261,676	1,011,563
Financial assets with related parties - non-current	4,817	369
Financial assets with related parties - current	63	7
Total financial assets and cash and cash equivalents	1,266,556	1,011,939
Net financial position - surplus / (deficit)	(465,810)	599,602

Net operating cash flow for the twelve-month period, after lease liability payments of Euro 452.4 million, amounted to Euro 1,201.9 million. After cash outflows related to investing activities of Euro 1,817.6 million, dividend payments of Euro 419.9 million, negative foreign exchange effects on the net financial position of Euro 24.8 million and other minor items, the Group reported a net financial deficit of Euro 465.8 million at the end of the period.

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Cash flow from operating activities	2,126,478	1,998,769
Net cash interest received (paid)	1,880	(6,977)
Lease liabilities: interest paid	(87,764)	(69,623)
Tax paid	(386,336)	(270,552)
Net cash flow from operating activities	1,654,258	1,651,617
Payment of lease liabilities	(452,376)	(438,833)
Net operating cash flow (*)	1,201,882	1,212,784
Net cash flow from investing activities	(1,817,600)	(462,453)
Free cash flow (**)	(615,718)	750,331

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

In connection with the financing of the Versace acquisition, Prada S.p.A. entered into a syndicated facilities agreement for a total amount of Euro 1,500 million, comprising a Euro 1,000 million term loan facility with a five-year maturity and a bridge term loan facility of up to Euro 500 million with a maturity of up to two years. At the acquisition closing, Euro 1,000 million and Euro 300 million were drawn under the term loan and bridge facilities, respectively.

In addition, Prada S.p.A. entered into a bilateral term loan facility of Euro 200 million with a seven-year maturity, which was also drawn at the acquisition closing.

As of December 31, 2025, the Group had undrawn cash credit lines available with banks totalling Euro 1,398 million (Euro 1,296 million as of December 31, 2024), of which Euro 854 million were committed credit lines and Euro 544 million uncommitted ones.

All financial covenants were fully complied with as of December 31, 2025 and are expected to remain complied with over the next twelve months.

The following table sets forth the lease liabilities:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Lease liabilities - non-current	2,567,180	1,940,978
Lease liabilities - current	524,699	434,135
Total	3,091,879	2,375,113

Lease liabilities increased from Euro 2,375 million as of December 31, 2024 to Euro 3,092 million as of December 31, 2025, primarily reflecting new contracts and remeasurements of Euro 858.2 million, less payments made during the period of Euro 452.4 million, contract terminations of Euro 7.7 million and negative foreign exchange rate differences of Euro 172.6 million. The Versace acquisition contributed Euro 491.3 million.
Lease liabilities were mainly concentrated in the U.S.A., Italy and Japan.

Net financial indebtedness, including lease liabilities, amounted to Euro 3,558 million as of December 31, 2025, compared with Euro 1,776 million as of December 31, 2024.

Further information on the Group's debt maturities and obligations, as well as currency and interest rate risk management, commitments and contingent liabilities, is provided in Notes 20, 25 and 27 to the Consolidated Financial Statements.

Risk factors and management

Prada Group's business is exposed to various risks that, if they materialize, could adversely affect its operations, financial results, 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 and the following risk factors have been identified:

1. Operational and ESG Risks

1.a. Intellectual property and brand protection

Description	What we do
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 financial results and damage its image.	The Group pursues an active anti-counterfeiting policy involving both preventive measures and legal actions. Its strategy is based on the following pillars: – 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. 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.

1.b. Commercial attractiveness and desirability	
Description	**What we do**
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.	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. 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, pursuit of new and unconventional ideas, as well as cultural and social interests. Secondly, the Group pursues cutting edge communication strategies, to be in-tune with – and even to anticipate or create – fashion trends. In addition, the Group regularly invests in store renovations (both brick-and-mortar and online) to channel the brands' images and guarantee enhanced customer experiences. Brand attractiveness and customer satisfaction are also pursued through regular training and professional qualification programs for its employees, especially those working in stores.

1.c. Talent management and retention	
Description	**What we do**
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, financial results.	The Group proactively addresses the risk by: (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; and (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**
Should the Group lose strategic retail places, due to difficulties in finding adequate locations or in negotiating new leases at favorable terms and conditions, the Group's strategy could be undermined, with negative consequences for its financial results. 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.	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 of retail places. Moreover, the Group performs periodical reviews of contracts, site visits and "ad-hoc" counterparty due diligence.

1.e. Corporate image	
Description	**What we do**
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. Prada 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. 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 financial results.	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 incompliance with the Group's image and reputation; and (iii) oversight of external communication concerning the brands, including through social media. 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.

1.f. Fraud

Description	What we do
Frauds may be perpetrated to obtain money or – among others – property or services, personal or business advantage. Lack of controls and insufficient segregation of duties could lead to fraud and, consequently, economic losses and reputational damages.	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: (i) various Group procedures in place (Code of Ethics, Anti-corruption policy, Corporate Finance & Treasury policy); (ii) 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; and (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
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 financial results and/or damages to the Group's reputation. 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 financial results.	The Group contracts with several suppliers, to avoid concentration of supply. The fact that production is mainly located in Europe, especially in Italy, grants an adequate level of competence, quality and reliability. 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. 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. 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.

1.h. Business resilience	
Description	**What we do**
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.	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.

1.i. Health, security and safety	
Description	**What we do**
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, and (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.	To mitigate these risks, the Group (i) conducts periodic safety training and refresher courses; (ii) undergoes renovations and new constructions; and (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).

1.j. Environmental	
Description	**What we do**
The financial situation and the reputation or 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.	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.

Description	What we do
	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. The organization identified and formalised 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. 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).

2. Financial risks

2.a. Credit risk

Description	What we do
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 be predominantly attributable to trade receivables generated from the wholesale channel and other commercial partners, and liquid assets. 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.	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. 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.

2.b. Liquidity risk	
Description	**What we do**
Liquidity risk refers to the 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.	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, timely loan repayment and the payment of any dividends as planned.

2.c. Foreign exchange risk	
Description	**What we do**
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 the collection of trade and financial receivables and payment of trade payables. They refer mainly to Prada S.p.A., the Group's parent and worldwide distributor of Prada and Miu Miu brand products.	The management of foreign exchange risk is described with more details in Note 11 to the Consolidated Financial Statements.

2.d. Interest rate risk	
Description	**What we do**
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.	The management of interest rate risk is described with more details in Note 11 to the Consolidated Financial Statements.

3. Legal and regulatory risks

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

Description	What we do
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. This can concern, in particular, the following: – 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 Legislative Decree 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 consumable goods used.	The Group involves various internal departments 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. 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.

3.b. Tax risk	
Description	**What we do**
The Prada Group's tax strategy is based on the prevention of tax risks and on tax certainty, both of which are pursued through ongoing dialogue and long-term, principled interaction with the tax authorities in the countries where it operates.	The Group's tax risks, which could arise from compliance errors or incorrect interpretation of regulations, are constantly monitored within the scope of an extensive internal control system, 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 Note 39 to the Consolidated Financial Statements, insofar as required by IFRS, and in the Directors' Report and Corporate Governance Report, insofar as required by the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited.

Non-IFRS measures
The Group uses certain alternative performance measures ("non-IFRS measures") to assess its business performance and to provide readers with additional information on its financial situation. Although they are used by the Group's management, these measures are not defined or regulated by IFRS and should not be considered as a substitute for measures prepared in accordance with IFRS. Other companies in the luxury sector may calculate similar measures using different methodologies; accordingly, these measures may not be directly comparable. They should therefore be read in conjunction with the Consolidated Financial Statements and related Notes.

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

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

Net revenues at organic growth: net revenues at constant exchange rates, by excluding the Versace contribution.

Net sales (net revenues less royalties) at constant exchange rates: current year net sales calculated considering the prior year exchange rates.

Net sales (net revenues less royalties) at organic growth: net sales at constant exchange rates, by excluding the Versace contribution.

Operating income - EBIT: earnings before interest and taxation, i.e. "Profit for the year" adjusted to exclude "Net financial expenses" and "Income taxes".

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. Non-recurring transactions could include, for example, acquisition and related costs, 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 "Non-recurring expenses".

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

(amounts in thousands of Euro)	twelve months ended December 31 2025	% on net revenues	twelve months ended December 31 2024	% on net revenues
Profit for the year	854,922	15.0%	843,400	15.5%
Income taxes	346,362	6.1%	345,323	6.4%
Net financial expenses	97,756	1.7%	90,827	1.7%
Operating income - EBIT	1,299,040	22.7%	1,279,550	23.6%
Non-recurring expenses	24,606	0.4%	-	-
Recurring operating income – EBIT Adjusted	1,323,646	23.2%	1,279,550	23.6%

Net financial position: Current and non-current financial liabilities due to third parties and related parties, less cash and cash equivalents and current and non-current financial assets with third parties and related parties.

Net financial position, including lease liabilities: Net financial position, including lease liabilities.

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Net financial position - surplus / (deficit)	(465,810)	599,602
Lease liabilities - current	(524,699)	(434,135)
Lease liabilities - non-current	(2,567,180)	(1,940,978)
Total lease liabilities	(3,091,879)	(2,375,113)
Net financial position - surplus / (deficit), including lease liabilities	(3,557,689)	(1,775,511)

Net operating working capital: sum of trade receivables, inventories and trade payables.

Net invested capital: sum of total equity, lease liabilities and net financial position.

Net operating cash flow: net cash flow generated by operating activities, less payment of lease liabilities.

Free cash flow: net operating cash flow, less net cash flow from investing activities.

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Cash flow from operating activities	2,126,478	1,998,769
Net cash interest received (paid)	1,880	(6,977)
Lease liabilities: interest paid	(87,764)	(69,623)
Tax paid	(386,336)	(270,552)
Net cash flow from operating activities	1,654,258	1,651,617
Payment of lease liabilities	(452,376)	(438,833)
Net operating cash flow	1,201,882	1,212,784
Net cash flow from investing activities	(1,817,600)	(462,453)
Free cash flow	(615,718)	750,331

Research and development activities
Research and development activities are described in the section "The Prada Group" of this Annual Report, in the paragraph regarding creativity. The design and product development costs for the twelve months ended December 31, 2025 amount to Euro 160.3 million, as reported in the Consolidated Statement of Profit or Loss prepared in accordance with IFRS.

Treasury shares
As of December 31, 2025, the Company did not own any treasury shares, as reported in the "Directors' Report" section.

Events after the reporting date
In February 2026, Prada S.p.A. signed a note purchase agreement for a Euro 300 million US private placement with a 10-year bullet maturity. The transaction was undertaken to refinance and pre-emptively repay in full the bridge term loan associated with the Versace acquisition.

Outlook

Looking ahead, we remain committed to the ambition to deliver above-market growth for the Group. With respect to profitability, ex Versace, we continue to aim for organic margin progression; Versace's consolidation will drive a dilutive effect on the Group EBIT margin in 2026, with a target to resume progressive improvement from 2027.

Milan, March 5, 2026

CHAPTER 4

Directors and Senior Management

Directors

Our Board of Directors (the "Board") consists of eleven Directors: six executive Directors, and five independent non-executive Directors. The Board is appointed for a term of three years.

Chairman

PATRIZIO BERTELLI
Chairman of the Board and Executive Director

BERTELLI, Patrizio, aged 79, is the Chairman of the Board of the Company with effect from April 24, 2024. He was first appointed to the Board in 2003 and held the role of Co-Chief Executive Officer along with Ms. Miuccia Prada until January 26, 2023. He was appointed Chairman of the Board for the first time on April 27, 2023. His partnership with Miuccia Prada began at the end of the '70s. He combines entrepreneurial activity with a range of cultural and sporting interests that he shares with Ms. Miuccia Prada Bianchi. Mr. Bertelli received an honorary degree in Business Economics from the University of Florence in 2000 and the "University Seal" from the University of Bologna in 2021. In 2006, Time Magazine cited him with Miuccia Prada as among the 100 most influential couples in the world and in 2012 he became the first Italian in history to be inducted into the America's Cup Hall of Fame. Mr. Bertelli holds directorships in subsidiaries of the Company. He holds directorship in PA BE 1 S.p.A., which is a substantial shareholder of the Company.
Mr. Bertelli is the husband of Ms. Prada, Executive Director, and is the father of Mr. Lorenzo Bertelli, Executive Director, Chief Marketing Officer and Head of Corporate Social Responsibility. Mr. Bertelli is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

Executive Directors

MIUCCIA PRADA BIANCHI
Executive Director

PRADA BIANCHI, Miuccia, aged 77, is Executive Director of the Company, Miu Miu Creative Director, and Prada Co-Creative Director with Raf Simons. She served as Chairwoman of the Board from 2003 to 2014 and as Co-Chief Executive Officer with her husband Mr. Patrizio Bertelli, until January 26, 2023. She was re-elected as Executive Director on April 24, 2024. After obtaining a degree in Political Science from Milan University, Ms. Prada began designing for the exclusive family business, founded by her grandfather in 1913. At the end of the '70s, she formed a partnership with Patrizio Bertelli, an entrepreneur, and the owner of two high quality leather goods companies. Under the direction of Ms. Prada and Mr. Patrizio Bertelli, Prada has become one of the leading luxury companies worldwide. Ms. Prada has received several awards for her original vision, innovation, and contribution to international fashion. In 2000, she received an Honorary Doctorate from the Royal College of Art in London. In 2006, Ms. Prada was named Officier dans l'Ordre des Arts et des Lettres by the French Ministry of Culture. In 2015, she was granted the title of Knight of the Grand Cross, the highest Order of Merit of the Italian Republic, in recognition of her international success and contribution to the fields of creativity, fashion and style. Ms. Prada is the wife of Mr. Patrizio Bertelli, Chairman of the Board, and is the mother of Mr. Lorenzo Bertelli, Executive Director, Chief Marketing Officer and Head of Corporate Social Responsibility.
Ms. Prada holds directorships in Prada Holding S.p.A., Bellatrix S.p.A. and Ludo S.p.A., which are substantial shareholders of the Company. Ms. Prada is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

PAOLO ZANNONI
Executive Deputy Chairman of the Board and Executive Director

ZANNONI, Paolo, aged 77, is the Executive Deputy Chairman of the Board with effect from May 11, 2023. He was re-elected as an Executive Director on April 24, 2024. He was first appointed as Chairman of the Board on May 27, 2021, and conferred in his executive role on June 4, 2021. He has been an international advisor at Goldman Sachs since 2019, providing advice to the firm's business across Italy and the rest of Europe. He is currently secretary of the Board of Directors of Beretta Holding S.p.A. and a Board Member of Holland & Holland Limited. He served as Chairman of the Board of Autogrill S.p.A., listed on the Italian Stock Exchange, from 2019 to January 2023, Chairman of Dolce & Gabbana Holding S.r.l. from 2007 to 2021, and Chairman of Prysmian Group S.p.A. from 2005 to 2012. Prior to this, Mr. Zannoni spent several years working with the Goldman Sachs investment banking franchise in Italy. He joined Goldman Sachs in 1994, was named managing director in 1997, partner in 2000 and was Chairman of the Italian investment banking business between 2000 and 2013. He also spent a period as co-chief executive officer of Goldman Sachs Russia. Prior to joining Goldman Sachs, Mr. Zannoni was a vice president at Fiat S.p.A. and a lecturer at Yale University. He continues to be an executive fellow at the Yale School of Management, an advisory board member of the International Center for Finance (ICF) and a board member of the Jackson Institute for Global Affairs. Mr. Zannoni earned an MA and an MPhil in Political Science from Yale University. He also earned a BA from the University of Bologna. Mr. Zannoni holds directorships in subsidiaries of the Company and was appointed as the Chairman of the Board of Prada Holding S.p.A. in June 2023. Mr. Zannoni is a member of the Remuneration Committee. Save as disclosed herein, Mr. Zannoni has not held any directorship in any other listed companies in Hong Kong or abroad in the last three years.

ANDREA GUERRA
Chief Executive Officer and Executive Director

GUERRA, Andrea, aged 60, has been appointed Chief Executive Officer and Executive Director of the Company since January 26, 2023, and re-elected on April 24, 2024. Prior to joining Prada, Mr. Guerra was the strategic advisor of LVMH, the Chief Executive Officer of Hospitality Excellence at LVMH Moët Hennessy Louis Vuitton SE (September 2020 to May 2022), Executive Chairman of the high-end food emporium Eataly (September 2015 to May 2019), Chief Executive Officer of the eyewear company Luxottica Group S.p.A. (July 2004 to September 2014), and was the Chief Executive Officer of Merloni Elettrodomestici, now Indesit Company (2000 to 2004). Mr. Guerra obtained a degree in Business Administration from Sapienza University of Rome in 1989. From December 2014 to October 2015, he was senior strategic advisor for business, finance, and industry to the Italian Government's Prime Minister. He was a member of the boards of directors of Bocconi University (November 2014 – October 2018) and Save the Children Italy and is a shareholder of online newspaper Linkiesta. Over the years, Mr. Guerra was a member of the strategic committee of the Italian Strategic Fund (Fondo Strategico Italiano S.p.A.). He was also a member of the board of directors of Amplifon S.p.A., and a member of the strategic committee of Ariston Thermo S.p.A., both companies listed on the Italian Stock Exchange. He held the position of director on the boards of Parmalat S.p.A. and DeA Capital S.p.A., both companies listed on the Italian Stock Exchange, and of Banca Nazionale del Lavoro S.p.A..
Save as disclosed herein, Mr. Guerra has not held any directorship in any other listed companies in Hong Kong or abroad in the last three years.

ANDREA BONINI
Chief Financial Officer and
Executive Director

BONINI, Andrea, aged 46, is the Chief Financial Officer of the Company since May 2, 2022. He was appointed to the Board as Executive Director on November 8, 2022, confirmed as Executive Director on April 27, 2023, and re-elected on April 24, 2024. Mr. Bonini has 19 years of experience in corporate finance and relevant experience in the luxury industry. He started his professional career in Milan-based M&A firm Boutique Gallo & C. S.p.A. in 2003. In 2005, Mr. Andrea Bonini joined the Investment Banking Division of Goldman Sachs International, based in London where he became Managing Director in 2015. At Goldman Sachs, he was part of the Italy Coverage team until 2013 and subsequently joined the Consumer Retail Group, with responsibility for Luxury and Brands in Europe. Mr. Bonini graduated in Business Administration from Bocconi University in Milan in 2003.
Mr. Bonini holds directorships in subsidiaries of the Company. Mr. Bonini is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

LORENZO BERTELLI
Executive Director

BERTELLI, Lorenzo, aged 37, joined the Board of Directors as Executive Director in May 27, 2021 and was re-elected on April 24, 2024. Mr. Bertelli has been Chief Marketing Officer since 2019 and was appointed Head of Corporate Social Responsibility in 2020. Mr. Bertelli has been appointed Executive Chairman of Versace since December 2, 2025. He is responsible both for the Group's Marketing and Communication strategy and for the Group's overall approach to sustainability. He joined the Group in 2017 as Head of Digital Communication. Lorenzo Bertelli obtained a degree in Philosophy at San Raffaele University in Milan in 2008. He is the son of Ms. Miuccia Prada Bianchi, Executive Director and Mr. Patrizio Bertelli, Chairman of the Board of the Company.
He holds directorship in Prada Holding S.p.A., which is a substantial shareholder of the Company, as well as directorships in subsidiaries of the Company. Mr. Lorenzo Bertelli is a member of the Nomination Committee and the Sustainability Committee. Mr. Bertelli is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

Independent Non-Executive Directors

YOËL ZAOUI
Lead Independent Director and
Independent Non-Executive Director

ZAOUI, Yoël, aged 65, was first elected as an Independent Non-Executive Director on May 27, 2021, and appointed as Lead Independent Director on May 11, 2023. He was re-elected on April 24, 2024. He is a co-founder of Zaoui & Co., a firm established in 2013 to advise select clients on mergers, acquisitions, and other strategic and financial transactions, as well as major investment decisions. Mr. Zaoui began his investment banking career at Goldman Sachs in 1988, and, over a 24-year career at Goldman Sachs, was responsible for some of Europe's largest and more significant corporate transactions in a period of unprecedented growth. Mr. Zaoui was the first European investment banker to have joined Goldman Sachs's top governing body, the management committee, a position he held from 2008 until his retirement in 2012. Prior to Goldman Sachs, Mr. Zaoui worked at Arthur Andersen in Paris (1983 - 1986). Mr. Zaoui was educated in France and the US: he obtained a diploma from the Ecole des Hautes Etudes Commerciales (HEC, 1982), a DEA doctoral degree in Finance from Universite Paris-Dauphine (1983) and an MBA from Stanford University (1988). Mr. Zaoui continues to be actively involved with his alma maters, serving as a member of the Cercle des Grands Donateurs de la Fondation HEC. Mr. Zaoui was conferred with the Order of Muhammad by His Majesty the King of Morocco Mohamed VI.
Mr. Zaoui is the Chairman of the Audit and Risk Committee and a member of the Remuneration Committee. Mr. Zaoui is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

ILARIA RESTA GRIGOLLI
Independent Non-Executive Director

RESTA GRIGOLLI, Ilaria, aged 52, was appointed as Independent Non-Executive Director of the Company on July 30, 2025. She has been appointed as the Chief Executive Officer of Audemars Piguet since January 1, 2024. Prior to joining Audemars Piguet, Ms. Resta served as President, Global Perfumery & Ingredients at Firmenich, becoming the first woman to serve as president of a major fragrance house. Before that, she spent over two decades at multinational firm Procter & Gamble ("P&G"), where she gained experience in brand building, sales, and profit and loss management. With successive assignments in Geneva, London, and Cincinnati, she is credited for renewing P&G's European Hair Care business, restructuring Duracell prior to its successful divestiture, and leading the portfolio of home cleaning and laundry detergents. Originally from Naples, she is a Swiss-Italian national. She studied ancient Greek and Latin before pursuing a Bachelor of Marketing and Economics followed by a Master of Financial Mathematics from the University of Napoli.
Ms. Resta is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

CRISTIANA RUELLA
Independent Non-Executive Director

RUELLA, Cristiana, aged 63, was elected as Independent Non-Executive Director on April 24, 2024. She is currently an industrial partner of FSI SGR S.p.A., an investment company, and a member of the Board of Directors of Missoni S.p.A.. She was Chief Executive Officer of TFC srl and of the Holding Company Exor srl from October 2021 to December 2024. From July 1991 to August 2017, she was Managing Director of the Dolce & Gabbana Group where she also carried out duties typically undertaken by the chief financial officer. In a global leadership role at Dolce & Gabbana, she has been a member of all the Boards of Directors of the central and local companies as well as Chief Executive Officer of the latter ones. Ms. Ruella previously spent four years at ICR (Istituto di Revisione e Certificazione) from 1985 to 1989, where she was involved in accounting and audit activities on financial statements of companies aimed at issuing certifications of the relevant financial and economic results. She was a member of the Advisory Board of DGPA & Co, an Italian investment fund. She was also a member of the Advisory Board of SDA Bocconi University from 2003 to 2005. Ms. Ruella devotes her time and passion to the VIDAS Foundation, where she is Vice President and Treasurer. Ms. Ruella earned a MA Economics and Finance from Cattolica University of Milan. Ms. Ruella is the Chairwoman of the Nomination Committee and a member of the Audit and Risk Committee. Save as disclosed herein, Ms. Cristiana Ruella is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

PAMELA YVONNE CULPEPPER
Independent Non-Executive Director

CULPEPPER, Pamela Yvonne, aged 61, was first appointed as Independent Non-Executive Director on January 28, 2022, and re-elected on April 24, 2024. Ms. Culpepper's former name was JORDAN, Pamela Yvonne. In January 2023, Ms. Culpepper joined Hanold Associates Llc (which was acquired by Creative Artists Agency Llc in October 2024), as Managing Partner of their Leadership Advisory Practice under its Executive Search and Leadership Advisory team. Ms. Culpepper was one of three co-founders of Have Her Back Llc, a female-owned, female-led culture consultancy focused on advancing equality for all. Before that, Ms. Culpepper was the Chief Human Resources Officer at Cboe Global Markets, Inc., one of the world's largest exchange holding companies, offering cutting-edge trading and investment solutions to investors around the world. At Cboe, Ms. Culpepper served as an advisor to the executive team and Board of Directors with regard to talent management, compensation, and benefits and to the acquisition, and subsequent merger, of a global exchange by Cboe. Ms. Culpepper has over 25 years of experience as an HR executive. She joined Cboe from Golin, where she was the company's Chief People Officer. Prior to her work at Golin, Ms. Culpepper held various leadership roles with PepsiCo, Inc., including Chief Global Diversity and Inclusion Officer, Vice President, Human Resources for Quaker Foods and Snacks; Vice President, Human Resources for PepsiCo's Beverages Supply Chain; and Vice President, Talent Management and Diversity for Quaker, Tropicana and Gatorade. Before PepsiCo, Ms. Culpepper held roles with McKesson Corporation, Clorox and Wells Fargo. Ms. Culpepper is a former Board Trustee of VSO International, based in the United Kingdom, and was a Board member for Navy Pier of Chicago, and in March 2023, she was appointed to Cambia Health Solutions' Board of Directors as an Independent Director. Ms. Culpepper has a B.A. in Psychology from the University of Arkansas at Little Rock and an MPA (Master of Public Administration) in Organizational Change, from California State University, Eastbay.
Ms. Culpepper is the Chairwoman of the Sustainability Committee and member of the Nomination Committee. Ms. Culpepper is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

ANNA MARIA RUGARLI
Independent Non-Executive Director

RUGARLI, Anna Maria, aged 53, was first appointed as Independent Non-Executive Director on January 28, 2022, and re-elected on April 24, 2024. Ms. Rugarli is the Corporate Sustainability Vice President of Japan Tobacco International, where she is responsible for developing business-integrated strategy at a global level. Ms. Rugarli has been appointed as an Independent Non-Executive Director and the Chair of the ESG Committee at ASOS plc, a company listed on the London Stock Exchange, on June 26, 2023. Ms. Rugarli is a Sustainability & CSR expert with more than twenty years' experience specializing in designing innovative programs and in developing strategies. She initiated and launched Nike's Sustainability & CSR programs in Europe, the Middle East & Africa regions and was with the company for 12 years pioneering this work at industry level. Ms. Rugarli then led VF Corporation's Circular Economy strategy at global level as well as Sustainability, Purpose, and I&D strategy at regional level for 10 years. During this time, she managed broad networks of stakeholders and cross-sector partners and led Sustainability & CSR programs integration across the business. While at VF Corporation she was a Board member and then President of European Outdoor Conservation Association for a total of seven years. Since February 2022 Ms. Rugarli has been a board member of JT International S.A.. Ms. Rugarli graduated in Political Sciences and is a certified broker in Cross-Sector Partnerships at Cambridge University. Ms. Rugarli is the Chairwoman of the Remuneration Committee and a member of the Audit and Risk Committee and the Sustainability Committee. Saved as disclosed herein, Ms. Rugarli is not and has not been a director of any other listed companies in Hong Kong or abroad in the past three years.

Senior Management

Our senior management is responsible for the day-to-day management of the business of the Group.

AGOSTINI, Cristiano, aged 52, has been Group Chief Information Officer since July 2021. He is primarily responsible for overseeing worldwide Transformation and Innovation Technology of the IT Department. After earning a degree in Communication Sciences at the University of Turin, Mr. Agostini has gained many years of experience in the Information Technology sector at prestigious companies and consulting firms. He has managed complex projects of transformation and technological innovation in international contexts, first at the Telecom Italia Research Center and subsequently at Deloitte and Accenture. In 2006 he joined Accenture to cover the role of Managing Director in the Technology Strategy & Advisory area.

BERTELLI, Lorenzo, aged 37 and Executive Director of the Company, is the Chief Marketing Officer and Head of Corporate Social Responsibility. Please refer to the paragraph "Executive Directors" of the Directors and Senior Management section of this Annual Report for details of his bio.

BERTONCINI, Francesca, aged 55, has been Chief Corporate Officer North Europe since November 2025. Ms. Bertoncini is primarily responsible for overseeing the Group's operations in the United Kingdom, Ireland, Denmark, Sweden and Norway, where she covers several managerial roles at the Company's subsidiaries. She joined the Group in 2001. Until 2018, her managerial roles included product development, collection, and retail merchandising. In 2018 she was appointed as Worldwide Prada Woman Shoes Collection/Retail Merchandising Director and from 2018 to 2019, she worked as Senior Vice President Global Merchandising and Product Development for Stuart Weitzman in New York.

BONINI, Andrea, aged 46 and Executive Director of the Company, is the Chief Financial Officer of the Company. Please refer to the paragraph "Executive Directors" of the Directors and Senior Management section of this Annual Report for details of his bio.

BRINI, Giulio, aged 57, has been APAC Managing Regional Director since July 2022. He is primarily responsible for overseeing the Group's strategies and operations in Asian countries, coordinating with the Prada and Miu Miu brands in order to provide cross-brand services within the local markets. He was also appointed as Outlets Division Director in October 2017. Mr. Brini joined the Group in 1995. Before being appointed to his current position, he covered different managerial roles in the commercial and industrial area, including Prada Retail Director and Miu Miu General Manager. Mr. Brini obtained a degree in Economics and Banking from the University of Siena in 1993.

BUONCOMPAGNI, Fabrizio, aged 58, was appointed as Indirect Procurement and General Services Director in June 2023. Mr. Fabrizio Buoncompagni is primarily responsible for centrally managing the indirect procurement process in terms of negotiations, the management of contracts, the technical qualification of vendors, and the loading and monitoring of purchase orders. After obtaining a degree in Economics and Commerce from the University of Florence, he joined the Group in 1995 in the Controlling Department, becoming Industrial Controlling Director in 2002 and Organization Director in 2016.

CAROLA, Pablo, aged 58, has been Chief Corporate Officer Middle East since December 2023. Mr. Carola is primarily responsible for overseeing the Group's operations in the Middle East area, where he covers several managerial roles at the Company's subsidiaries. Mr. Carola obtained a degree in Business Administration at Universidad de Politecnica de Catalunya (Spain). He joined the Group in 2011 to manage human resources of both Miu Miu and Prada stores worldwide, and from 2013 to 2017 he was Regional Director for the Iberian Peninsula and North Africa. Prior to joining the Group, he worked for almost twelve years as Human Resources Director at Louis Vuitton.

CASTELLANI, Valeria, aged 52, was appointed as Head of Security in June 2022. She is primarily responsible for ensuring the protection and security of the physical assets of the Group through actions aimed at preventing risks and protecting the company's physical goods. After obtaining a degree in law at the University of Bologna, Valeria Castellani has worked in government and in the private sector, both in Italy and abroad. From 2006 to 2012 she was Security Manager at Hilton Worldwide, before becoming Asset & Profit Protection Regional Manager at Burberry and then Security Manager Corporate and Retail at Bottega Veneta in 2017.

CHOI, Moonyoung, aged 63, has been Chief Executive Officer Korea since 2007. She is primarily responsible for overseeing the Group's commercial operations in Korea. She started her career at Louis Vuitton, as the first Louis Vuitton Store Manager in Korea (1991 – 1999). From 1999 to 2007, Ms. Choi worked at Celine Korea, LVMH Group, first as Retail Manager and then as Country Manager for Korea.

CIABATTI, Maurizio, aged 61, was appointed as Chief Real Estate Officer in 2016. Mr. Ciabatti is primarily responsible for overseeing the acquisition of new real estate and managing the organisation's real estate development portfolio, finding new potential buildings or property to develop for the Group's portfolio and to engage in contract negotiations. He joined the Group in 1989 in the Engineering Department, with managerial roles including Group Engineering Director from 2006 to 2016.

CROSO, Carlo, aged 45, has been appointed as Prada President & Chief Corporate Officer Americas since December 2025. He is primarily responsible for overseeing the Group's operations in Americas and for the development of Prada business within the local markets. Mr. Croso joined the Group in July 2019 as Group Retail Innovation and E-Commerce Director and from March 2023 he was appointed as Prada Retail and Commercial Director. After obtaining a Bachelor's Degree in Industrial Engineering and a Master's Degree in Business Administration from the Politecnico of Milan, Mr. Croso worked several years covering different industries for Bain & Company. Before joining the Group, since 2014 Mr. Croso has been globally in charge of business-to-consumer distribution and digital, holding the position of Senior Vice President of Direct Business for Royal Caribbean Group's luxury cruise company Silversea.

GINTZBURGER, Emmanuel, aged 51, has been Versace Chief Executive Officer since September 2022. He is primarily responsible for the strategic development of the Versace Brand worldwide. Mr. Gintzburger graduated from EM Lyon Business School with a Master's degree in Marketing and Sales in 1997. He began his career in 1997 at Danone in France, then he held several roles as Marketing Analyst and Retail Marketing Manager for Louis Vuitton Pacific (1998 – 2002), as Regional Retail Director and later Marketing Director in Sephora France and Retail Director at Jeanne Lanvin (2002 – 2008). He also covered in Saint Laurent the roles of Retail Director for Europe (2009 – 2011) and Worldwide Retail and Wholesale Director (2011 to 2016). Prior to joing Versace, he served as Chief Executive Officer in Alexander McQueen (2016 – 2022).

GUERRA, Andrea, aged 60 and Executive Director of the Company, is the Chief Executive Officer. Please refer to the paragraph "Executive Directors" of the Directors and Senior Management section of this Annual Report for details of his bio.

HUET, Emmanuel, aged 48, has been Prada President and Chief Corporate Officer France, Belgium,Monte Carlo and Central Europe since November 2025. He is primarily responsible for overseeing the Group's operations in France, Belgium, Monte Carlo and Central Europe and for the development of Prada business within the local markets. His previous roles with Louis Vuitton, included Director of La Maison Champs Elysées and General Manager of Benelux & Nordics.

JANKA, Ina, aged 44, has been Internal Auditing Director since May 2025. She is primarily responsible for defining and monitoring compliance with the Prada Group's internal rules, procedures and processes, ensuring effective corporate functioning and performance. After obtaining a Bachelor of Finance in 2005 and a Master's degree in Economics in 2007 from the University of Bologna, she has been Senior Internal Auditor in EY S.p.A. (2008 - 2020) and Senior Internal Auditor in Vodafone (2020 - April 2025).

MALETTO, Diego, aged 47, was appointed as Prada Group Supplier Audit Director, and Chief Financial Officer in Versace on February 9, 2026. He has been Internal Auditing Director from February 2022 to February 9, 2026. Mr.

Maletto obtained a Master's degree in Economics and Business from Turin University. After a career in consulting in Italy and the USA for Ernst & Young (2006 – 2017), he became Head of Internal Audit for Italy, Greece, Albania, and Malta at Vodafone (2017 – 2020) and Audit Director at Autostrade per l'Italia (2020 – 2022). Mr. Maletto holds directorships in subsidiaries of the Company.

MANZATTO, Denni, aged 41, has been appointed as Church's Car Shoe President and Chief Integration and Transformation Officer in Versace on February 9, 2026. He has been Chief Executive Officer since January 2022. He is responsible for overseeing Church's Car Shoe brands operations worldwide and he will be focused on ensuring the best integration of Versace's activities into Prada Group. Prior to these appointments, Mr. Manzatto was Group Commercial and License Director with responsibility for the commercial development of the wholesale and marketplace channels of the Prada, Miu Miu and Car Shoe brands. He directly managed the Prada wholesale channel as well as the eyewear and fragrance licenses for both Prada and Miu Miu. He was also responsible for leading Group and brand-level business development opportunities, strategic partnerships, and collaborations. Mr. Manzatto obtained an Executive Master's degree in Business Administration from INSEAD and Tsinghua University in 2018. He is a Business and Management graduate of Bocconi University (2007, 2009) and Fudan University (2009), and participated in an exchange program with the Wharton School of the University of Pennsylvania (2006). Prior to joining the Group in 2013, Mr. Manzatto worked as an Associate at private equity firm Vision Capital and in the Investment Banking division of Goldman Sachs.

MARSICOLA, Alessandra, aged 66, was appointed as President and CEO Japan, Guam, Saipan, and Hawaii in September 2023. She was Japan, Guam, Saipan, and Hawaii Regional Director since May 2022. She is primarily responsible for overseeing the worldwide Prada retail functions and strategy of Prada, Miu Miu and Church's. Ms. Marsicola joined the Group in 1991. Before being appointed to her current position, she covered a range of different managerial roles in the commercial area, including Prada Retail Director, Regional Director North West Europe, Retail Development Director for Japan and Asia, Chief Executive Officer of Prada Fashion Commerce (Shanghai), Prada Worldwide Store Operation Director and Prada Retail Director for Prada Japan. From 2006 to 2009, she worked first as Sales Director for La Rinascente then as Asia Pacific Retail Director for Fendi.

MASSARDI, Roberto, aged 61, has been Chief Business Development Officer since May 2022. He is primarily responsible for the Group's strategic development through the assessment of new business opportunities. He is also responsible for managing the Group's eyewear and fragrance licenses. Mr. Massardi holds directorships in subsidiaries of the Company. After obtaining a degree in Business Economics from Bocconi University in Milan, Mr. Massardi covered several roles within the Pirelli Group. In 1996 he joined the Prada Group as Business Development Director and later as General Director for Jil Sander. In 2005 he joined Sportswear Company S.p.A. (Stone Island) as General Manager.

MENICATTI, Andrea, aged 36, was appointed as General Manager for the Marchesi Brand in February 2023. Mr. Menicatti has held managerial positions in Italy, the USA and in the Middle East for the Boston Consulting Group, developing growth strategies and implementing transformation programs for companies in the Food and Fashion sectors. He began his professional career at JPMorgan and the DeA Capital group's Taste of Italy investment fund.

MOLTENI, Anna, aged 59, has been Prada Women's Chief Collections Merchandising Officer since October 2025. She is primarily responsible for the development of the collections and projects for all the Prada Women's product categories. Ms. Molteni began her career in Prada Group served as Retail Merchandising Director (1991 – 2005) and more recently as Women's Leather Goods Collection Director (2017 – 2019). She also served as Worldwide Wholesale & Retail Director in Marni (2005 – 2012), as International Retail Merchandising and Marketing Director in Celine (LVMH) (2012 – 2017), as Chief Collection & Visual Merchandising Officer in Moncler (2019 – 2023) and before rejoining the Prada Group, she covered the role of Chief Visual Merchandising Officer in The Row (2023 – 2025).

ONOFRI, Silvia, aged 49 has been appointed as Miu Miu Chief Executive Officer since February 2025. She is responsible for overseeing the worldwide retail and wholesale operations of the brand and for the overall strategy and development of Miu Miu. Ms. Onofri began her career at Bulgari, then she assumed roles of increasing responsibility at Bally, rising to the position of CEO EMEA and then Chief Commercial Global Wholesale. In 2023, she joined VF Corporation as Brand President for Napapijri, leading the transformation and repositioning of the brand.

SANTAMARIA MAURIZIO, Rosa, aged 52, was appointed as Chief People Officer Prada Group in September 2023. She is responsible for taking an active part in the Group's culture and organizational evolution and for the development of the Human Resources role within the Group. Before joining the Group, she obtained a degree in Engineering from Sapienza University in Rome and gained experience as a Human Resources Officer at Valentino. She worked in HR at American Express for 14 years in several senior roles, most recently as Chief Human Resources Officer Italy, Spain, Nordics, Netherlands, Belgium, and Turkey. Her professional experience began at Ernst & Young and continued at multinational pharmaceutical company Bristol Myers Squibb.

SCAPECCHI, Andrea, aged 54, was appointed as Store Planning and Special Projects Director in October 2024. Mr. Scapecchi is responsible for leading the executive signoff of final store plans for new store openings and for capital projects in existing stores, working closely with the Real Estate Director. Mr. Scapecchi obtained a degree in Mechanical Engineering from the University of Florence. He joined the Group in 1998. His previous managerial roles in the Engineering Area included Group Engineering Director, Asia Pacific Business Development Director in Hong Kong, and Engineering Retail Director.

SECONDARI, Francesca, aged 48, was appointed as General Counsel and Chief Legal Officer Prada Group in May 2023. She holds a Law degree from Università di Perugia and an Executive MBA from the American University in Cairo. She is a qualified lawyer in Italy and Spain since 2005. She trained at Studio Legale BonelliErede where she became equity partner in 2019. Ms. Secondari has extensive experience in M&A, extraordinary finance, and in corporate governance with a string ESG focus. She has also led major transactions in the luxury sector. For seven years, she was based in BonelliErede's Cairo office, heading business development for Africa and the Middle East until July 2022. She joined Prada as acting Group General Counsel before formally taking on her current role.

SIMONS, Raf, aged 58, was appointed as Prada Co-Creative Director in April 2020, working in partnership with Miuccia Prada Bianchi. Mr. Simons launched his own menswear label in 1995. He was creative director at Jil Sander from 2005 to 2012, at Christian Dior from 2012 to 2015, and at Calvin Klein from 2016 to 2018. He contributes to the brand image, to the conception, preparation, and development of Prada brand products, and in the development of creative strategies for marketing, advertising, and branding campaigns. Mr. Simons graduated in Industrial Design at SHIVKV in Genk in 1991.

VIGNOLO LUTATI, Ugo Camillo Lodovico Maria, aged 47, was appointed as Chief Information Security Officer in April 2023. Mr. Vignolo Lutati is responsible for ensuring the integrity, availability, and confidentiality of information in accordance with the Prada Group's business needs and information security policies. Mr. Vignolo Lutati is an ex-partner of a leading professional services company, with experience covering managerial and international roles, mainly in the area of governance and risk management in both IT and Finance.

WANG, Chen-Chen, aged 53, has been China General Manager since 2019. She is primarily responsible for overseeing the Group's commercial operations in China, where she covers several managerial roles at the Company's subsidiaries. She joined the Group in 2015 as Miu Miu Retail Director. Ms. Wang obtained a Master's degree in Science from Auburn University. She started her career at Guilford Mills New York (1997 – 2000) before working at SilverStream Software New York (2000 – 2002). Most recently, she was Merchandising Director at Christian Dior China (2007 – 2015).

ZENKOVSKAYA, Vera, aged 49, has been Russian area Regional Director since 2013. Ms. Zenkovskaya is primarily responsible for overseeing the Group's operations in Russia and Kazakhstan, where she covers several managerial roles at the Company's subsidiaries. Ms. Zenkovskaya obtained a Foreign Languages degree at the Language University of Kazakhstan. Prior to joining the Group in 2011 as Russia Country Manager, she worked within the beauty sector (L'Oréal, Temtrade) in marketing and retail. From 2006 to 2011, she worked in managerial roles for Louis Vuitton in Russia and Ukraine.

Company Secretary

TONG, Pui Ting Wendy, aged 41, first joined the Company as Asia Corporate Affairs Counsel in January 2013 and was appointed as Asia Pacific Corporate Affairs Counsel and Company Secretary on December 31, 2023. Since joining she has been involved in managing the corporate secretarial and other corporate matters, listing rules compliance, and data privacy matters in the Asia Pacific region. Prior to joining the Company, she worked as an associate in the corporate department of Slaughter and May, Hong Kong. She was admitted as a solicitor of Hong Kong by the High Court of Hong Kong in 2011. Ms. Tong graduated from the University of New South Wales in Sydney with a Bachelor of Commerce and Law degree with Distinction in 2007 and obtained the Postgraduate Certificate in Laws with Distinction from the University of Hong Kong in 2008.

CHAPTER 5

Directors' Report

Principal activities and business review

Prada S.p.A. (the "Company"), together with its subsidiaries (the "Group"), is a leading global luxury group active in the design, production and distribution of high-end leather goods, footwear, ready-to-wear, accessories, and jewelry. It also operates, under licensing agreements, in the eyewear and beauty sectors, as well as in the food and beverage sector. Through its Directly Operated Stores network, e-commerce channels and selected e-tailers, franchise stores, and a selected number of luxury department stores and independent retailers, the Group operates in all major international markets worldwide.

The Company is a joint-stock company with limited liability, incorporated and domiciled in Italy. Its registered office is at Via Antonio Fogazzaro 28, 20135 Milan (MI), Italy.

Further discussion and analysis of these activities, as required by section 388(2) and Schedule 5 to the Hong Kong Companies Ordinance, including a review of the business of the Company, a discussion and analysis of the Group's performance during the year ended December 31, 2025 ("2025"), and the material factors underlying its economic results and financial position, a description of the risks and uncertainties facing the Group, and the future development of the business of the Company, are set out in the Financial Review section of this annual report. Details of material events affecting the Group that have occurred since the end of the reporting period are set out in Note 43 to the 2025 Group's consolidated financial statements (the "Consolidated Financial Statements"). These discussions form part of this directors' report (the "Directors' Report").

Compliance with the relevant laws and regulations

The Group has adopted specific compliance procedures aimed at ensuring compliance with all applicable laws, rules, and regulations, in particular those that have a significant impact at a worldwide level, as the Group's products are distributed and sold across more than 70 countries.

A detailed analysis of the legal and regulatory risks to which the Group is exposed is set out in the paragraph headed "Legal and regulatory risks" of the Financial Review section of this Annual Report, which forms part of this Directors' Report.

Environmental policies and performance

The Group aims to enhance value creation for its stakeholders by combining economic profitability with employee and customer satisfaction, respecting ethical and environmental values, and ensuring sustainability.

Environmental protection is one of the main drivers of the Group, which is being engaged in implementing and enforcing virtuous behaviors that contribute to its sustainable growth.

Commitment to environmental protection is a key element of the Code of Ethics, which was updated in December 2025, applied both within the Group's organization, by implementing staff awareness, and to the third parties working with the Group.

An analysis of the Group's environmental policies and performance, as well as of the relationships with the key stakeholders (employees, customers, suppliers, and shareholders), will be included in the Group's Sustainability Report, which will be published at the same time of this Annual Report.

Further information on the environmental policies and performance of the Group is also set out in "The Prada Group" section to this Annual Report.

Relationships with key stakeholders

The Group's success also depends on the support from key stakeholders, such as employees, customers, suppliers, and shareholders.

Employees

The Group is built on people. The Group has always considered human capital to be the key to its competitive edge and it makes every effort to promote and reward professional skills and teamwork, with an emphasis on results. The employees' enthusiasm, craft skills and intellectual curiosity are the indispensable elements that underpin the innovation and quality of the Group's products. The Company searches for people that can combine these outstanding qualities with the values of the Group.

As of December 31, 2025, the Group had 17,901 employees (headcount), 42% of whom are in Italy, with women representing 63% of the total workforce.

The Group's remuneration policy aims to attract, reward, and retain skilled personnel and expert managers, while bringing the interests of the management in line with the primary objective of creating value for the shareholders over the medium- and long term.

Further analysis on the value of human resources of the Group is set out in the "The Prada Group" section to this Annual Report, while further analysis on the remuneration policy of the Group is set out in the "Corporate Governance" section of this Annual Report, both of which form part of this Directors' Report.

Customers

The Group is globally recognized as a trend-setter in the fashion industry.
The distinctive features and the prestige of the Group place the Group in a position to offer customers worldwide unique products, characterized by creativity, quality, and identity. In addition, the Group believes that effective communication with customers is crucial to build and convey an image of strong and consistent brand identity.

The result of the Group's approach to its customers is the unique relationship between each customer and the Group's brands, its products, and its stores.

Suppliers

The Group regards its relationship with its suppliers, built through years of day-to-day collaboration and directed towards continuous improvement, as fundamental to its success. The Group has a wide range of raw materials suppliers and external manufacturers. About 93% of them are located in the European Union, the vast majority of which are in Italy.

The Group requires that its suppliers act responsibly, and that each of them undertakes and acknowledges the Group's Code of Ethics, which sets forth the inalienable rights of employees, such as proper working conditions, equal opportunities, freedom of association, health insurance coverage, and protection of the environment in the collection of materials and during the production processes.

In order to achieve the highest quality standards, the Group has put in place procedures for the selection and retention of its suppliers, with the aim of establishing long-term business relationships. The Group audits suppliers and their sub-contractors to ensure their practices are compliant with the Code of Ethics.

Shareholders

One of the main corporate goals of the Group is to enhance shareholders' value through appreciation in the share price and by granting dividends payouts, taking into account, among other factors, the liquidity position and business expansion needs of the Group. Details of the Group's communication with its shareholders are set out in the "Corporate Governance" section of this Annual Report, which forms part of this Directors' Report.

Results and dividends

The results of the Group for 2025 are set out in the Consolidated Statement of profit or loss.

The Board recommends the distribution of final dividends of Euro 424,764,784 (Euro 0.166 per share) for 2025.

The final dividends will be subject to the shareholders' approval at the forthcoming shareholders' general meeting of the Company to be held on Thursday, April 30, 2026.

Subject to the shareholders' approval of the recommended final dividends, such dividends will be paid on Tuesday, May 19, 2026.

The final dividend will be paid to the shareholders recorded on the Company's shareholders register on Friday, May 8, 2026, only, net of Italian withholding tax, where applicable. The current rate of Italian withholding tax applied to applicable dividend payments is equal to 26%.

Five-year financial summary

The five-year financial summary of the Group is set out in Note 40 to the Consolidated Financial Statements.

Reserves

Details of the movements in the reserves of both the Group and the Company during 2025 are set out in the Consolidated Statement of changes in equity and in the Statement of changes in the Company's equity.

Distributable reserves

As of December 31, 2025, the Company's reserves available for distribution to the shareholders in accordance with the Company's by-laws amounted to Euro 2,527.4 million.

Property, plant and equipment

Details of the movements in the property, plant, and equipment of the Group during 2025 are set out in Note 14 to the Consolidated Financial Statements.

Donations

Donations by the Group mainly related to charities and amounted to Euro 9,019,265.

Pre-emptive rights

The Company's by-laws do not provide for shareholders' pre-emptive rights.

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

During 2025, neither the Company nor any of its subsidiaries purchased, sold, or redeemed any of the Company's listed securities. The Company did not hold any treasury shares as of December 31, 2025.

Capital gains tax in Italy

Capital gains realized from the sale of securities in an Italian company by shareholders resident in Hong Kong are not subject to taxation in Italy.

Subsidiaries

Details of the Company's subsidiaries as of December 31, 2025, are set out in Note 41 to the Consolidated Financial Statements.

Directors

The current Directors of the Company as of the date of this Directors' Report are:

Executive Directors
Mr. Patrizio BERTELLI (re-elected as Executive Director and appointed as Chairman of the Board on April 24, 2024)
Mr. Paolo ZANNONI (re-elected as Executive Director and re-appointed as Executive Deputy Chairman of the Board on April 24, 2024)
Mr. Andrea GUERRA (re-elected as Executive Director and re-appointed as Chief Executive Officer on April 24, 2024)
Ms. Miuccia PRADA BIANCHI (re-elected as Executive Director on April 24, 2024)
Mr. Andrea BONINI (Chief Financial Officer, re-elected as Executive Director on April 24, 2024)
Mr. Lorenzo BERTELLI (re-elected as Executive Director on April 24, 2024)

Independent Non-Executive Directors
Mr. Yoël ZAOUI (re-elected as Independent Non-Executive Director and re-appointed as Lead Independent Director on April 24, 2024)
Ms. Pamela Yvonne CULPEPPER (re-elected as Independent Non-Executive Director on April 24, 2024)
Ms. Anna Maria RUGARLI (re-elected as Independent Non-Executive Director on April 24, 2024)
Ms. Cristiana RUELLA (elected as Independent Non-Executive Director on April 24, 2024)
Ms. Ilaria RESTA (appointed as Independent Non-Executive Director on July 30, 2025)

Ceased Director
Ms. Marina Sylvia CAPROTTI (former Independent Non-Executive Director, resigned on July 30, 2025)

Biographical information of Directors

A brief biography of each current Director is set out in the "Directors and Senior Management" section of this Annual Report.

Directors' permitted indemnity

There is no permitted indemnity provision in any contract entered into by the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) that is or was in force during 2025 and until the date when this Directors' Report is approved by the Board, which is required to be disclosed under section 470 of the Hong Kong Companies Ordinance.

Management contract

No contract, other than employment contracts and directors' service contracts, concerning the management and administration of the whole or any substantial part of the Company's business was entered into, or was effective, during 2025.

Directors' service contracts

None of the Directors of the Company has a service contract with any member of the Group that cannot be terminated within one year without payment of compensation, other than statutory compensation.

Directors' interests in competing business

During 2025, none of the Directors of the Company held any interest in a business that competes, or is likely to compete, directly or indirectly, with the business of the Company or the Group.

Directors' interests and short positions in securities

As of December 31, 2025, 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 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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"):

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

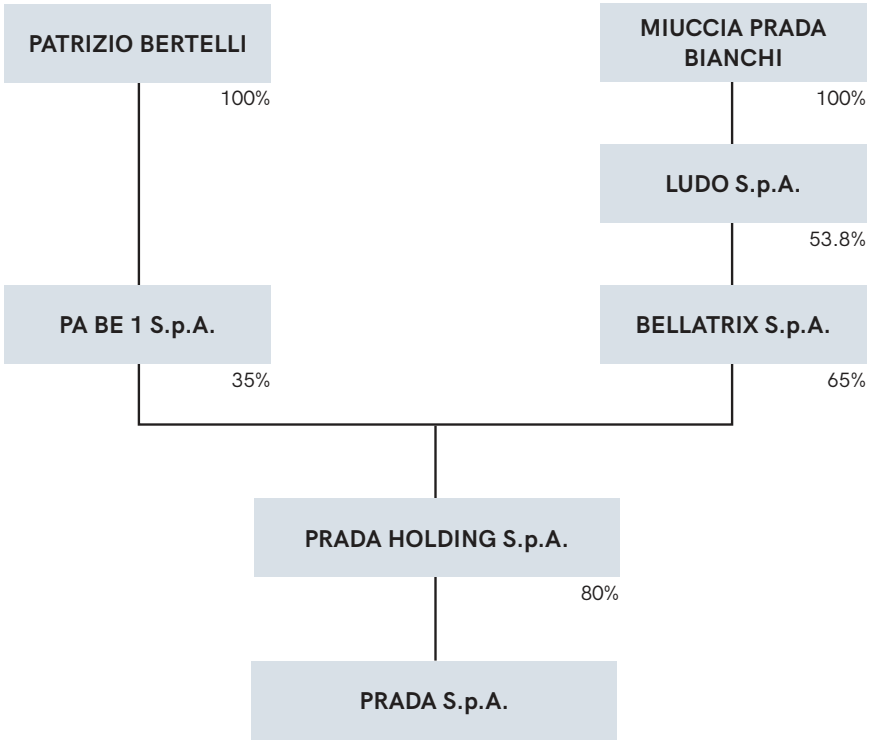
Name of Director	Number of Shares	Nature of Interest	Approximate percentage of Issued Capital
Ms. Miuccia Prada Bianchi	2,046,470,760 (Notes 1 and 2)	Interest of Controlled corporation	80%
Mr. Patrizio Bertelli	2,046,470,760 (Notes 1 and 3)	Interest of Controlled corporation	80%

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. ("PA BE"), 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.

The simplified shareholding chart below illustrates the interests of Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli in the shares of the Company as of December 31, 2025:



(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 interests
Ms. Miuccia Prada Bianchi	Prada Holding S.p.A.	Ordinary Shares	1,650	Controlled Corporation	68.75%
	Prada Holding S.p.A.	Preference Shares	300	As above	50%
	MFH Munich Fashion Holding GmbH	Registered Share	1	As above	100%
	Bellatrix S.p.A.	Ordinary Shares	438,460	As above	49.83%
	Bellatrix S.p.A.	Preference Shares	100,000	As above	83.34%
	Ludo S.p.A.	Class A 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 PARTECIPA-ZIONI 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%
	Prada RE UK Ltd (*)	Ordinary shares	224,865,500	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 PARTECIPA-ZIONI 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%
	Prada RE UK Ltd (*)	Ordinary shares	224,865,500	As above	100%

(*) The items reflect the information in disclosure forms filed on February 23, 2026.

Save as disclosed above, as of December 31, 2025, none of the Directors of the Company or their associates had 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 by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange under the Model Code.

Substantial shareholders' interests and short positions in securities

As of December 31, 2025, other than the interests of the Directors of the Company as disclosed above, the following persons held interests or short positions 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
Long Positions			
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..

Share capital

Details of the share capital of the Company during 2025 are set out in the Consolidated Statement of changes in equity and Note 29 to the Consolidated Financial Statements.

Directors' interests in transactions, arrangements and contracts

Save for those contracts disclosed under the sections on Continuing Connected Transactions and Connected Transactions below, and in Note 39, Related Parties Transactions, and Note 38, Remuneration of the Board of Directors, to the Consolidated Financial Statements, no transaction, arrangement, or contract of significance to the Group's business was entered into or subsisted at any time during 2025 in which the direct or indirect interest of a Director, or an entity connected with a Director, was material.

During 2025, there were no arrangements to which the Company, or any of the Company's subsidiaries or holding companies or a subsidiary of any of the Company's holding companies is a party, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company.

Issuance of debt securities

Neither the Company, nor any members of the Group, issued any debt securities during 2025.

Continuing connected transactions

During 2025, the Group had the following non-exempt continuing connected transactions, details of which were disclosed in the Company's announcements dated July 15, 2015, and May 26, 2017, respectively:

(a) Lease Agreement and Guarantee for Prada Aoyama Building in Japan
On July 15, 2015, PH-RE Llc purchased a building in Minami-Aoyama, Tokyo, Japan (the "Aoyama Building"). Prada Japan Co. Ltd ("Prada Japan"), a wholly owned subsidiary of the Company, has been leasing the Aoyama Building for use as its flagship store in Tokyo since 2004.

On May 25, 2015, Prada Japan, as lessee, and the former lessor, renewed the lease of the Aoyama Building by entering into a lease agreement for a term of 20 years (the "Lease Agreement"). On the same date, the Company granted a guarantee in favour of the former lessor to guarantee the full compliance by Prada Japan with all its obligations under the Lease Agreement (the "Guarantee").

As a result of the purchase of the Aoyama Building, PH-RE Llc, a connected person of the Company, has become the lessor under the Lease Agreement and the beneficiary of the Guarantee granted by the Company in favour of the former lessor. Accordingly, the Lease Agreement and the Guarantee, which were continuing transactions of the Group, have become continuing connected transactions of the Group under Chapter 14A of the Listing Rules.

On April 28, 2017, PH-RE Llc, which was previously a wholly owned subsidiary of PA BE 1 S.p.A. (formerly known as "PA BE 1 S.r.l."), became a wholly owned subsidiary of Prada Holding S.p.A., a substantial shareholder of the Company. Both Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli – Executive Directors and substantial shareholders (as defined in the Listing Rules) of the Company – are indirect shareholders of Prada Holding S.p.A..

As a consequence of this transaction, the Lease Agreement and the Guarantee remained as subsequent continuing connected transaction of the Group with no variation of their terms.

The annual cap for 2025 for the rent paid to PH-RE Llc, or accrued by the Company in accordance with applicable accounting standards, under the Lease Agreement and the Guarantee was JPY 2,040,703,000, as disclosed in the Company's announcement dated May 26, 2017.

(b) Lease Agreement and Guarantee for Miu Miu Aoyama Building in Japan
On May 26, 2017, PH-RE Llc purchased a building in Minami-Aoyama, Tokyo, Japan (the "MM Aoyama Building"). Prada Japan has been leasing the MM Aoyama Building for use as flagship store for the Miu Miu brand in Tokyo since 2015 under a lease agreement entered into with the former owner of the MM Aoyama Building (the "MM Lease Agreement"). In the context of the MM Lease Agreement, the Company granted a guarantee in favour of the former owner to guarantee the full compliance by Prada Japan with of all its obligations under the MM Lease Agreement (the "MM Guarantee").

As a result of the purchase of the MM Aoyama Building, PH-RE Llc has become the lessor under the MM Lease Agreement and the beneficiary of the MM Guarantee granted by the Company in favour of the former owner.

PH-RE Llc is a wholly owned subsidiary of Prada Holding S.p.A., a substantial shareholder (as defined in the Listing Rules) of the Company. Both Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli - Executive Directors and substantial shareholders (as defined in the Listing Rules) of the Company – are indirect shareholders of Prada Holding S.p.A..

In this context, the MM Lease Agreement and the MM Guarantee, being continuing transactions of the Group, have become subsequent continuing connected transactions of the Group under Chapter 14A of the Listing Rules.

The annual cap for 2025 for the rent paid to PH-RE Llc, or accrued by the Company in accordance with applicable accounting standards, under the MM Lease Agreement and the MM Guarantee was JPY 630,000,000, as disclosed in the Company's announcement dated May 26, 2017.

Below is a table setting out the aggregate value for each of the non-exempt continuing connected transactions for 2025:

	Continuing Connected Transaction ("CCT")	Accounting adjustment to the CCT following the application of IFRS 16	Impact on the profit or loss for the year ended December 31 2025
(a) Lease Agreement and Guarantee for Prada Aoyama Building	Japanese Yen million	Japanese Yen million	Japanese Yen million
Depreciation of the right of use assets and interest expenses on lease liabilities	2,040.7	41.1	2,081.8
(b) Lease Agreement and Guarantee for Miu Miu Aoyama Building	Japanese Yen million	Japanese Yen million	Japanese Yen million
Depreciation of the right of use assets and interest expenses on lease liabilities	630	(32.7)	597.3

The Independent Non-Executive Directors have reviewed the above non-exempt continuing connected transactions and confirmed that these have been entered into:

(i) in the ordinary and usual course of business of the Group;
(ii) on normal commercial terms or better; and
(iii) according to the agreements governing them, on terms that are fair and reasonable, and in the interests of the shareholders of the Company as a whole.

The Directors of the Company have engaged the Independent Auditor to review the above non-exempt continuing connected transactions. Based on the work performed, the Independent Auditor has provided a letter to the Directors of the Company to confirm that nothing has come to its attention causing them to believe that the continuing connected transactions:

(i) have not been approved by the Company's Board of Directors;
(ii) were not, in all material respects, in accordance with the pricing policies of the Group, if the transaction involved the provision of goods or services by the Group;
(iii) were not entered into, in all material respects, in accordance with the terms of the relevant agreements governing such transactions; and
(iv) have exceeded the relevant annual cap.

Connected transactions

On January 28, 2025, the Company acquired a property located at Via Scalarini, 8, Milan, Italy from Peschiera Immobiliare S.r.l. at a purchase price of Euro 12,600,000, details of which were disclosed in the Company's announcement dated January 28, 2025. The property was leased to the Group before the acquisition. Such acquisition provided the Company with additional flexibility in terms of space utilization and potential changes of use. Peschiera Immobiliare S.r.l. is controlled by Mr. Patrizio Bertelli (directly for 50% of its share capital and indirectly through PA BE 1 for the remaining 50% of its share capital), the Chairman of the Board, an Executive Director, and a substantial shareholder of the Company. Peschiera Immobiliare S.r.l. is a connected person (as defined in the Listing Rules) of the Company.

On March 18, 2025 (New York Time), Prada USA Corp, a wholly-owned subsidiary of the Company, as lessee, and 720 Fifth USA, Llc., as lessor, entered into a lease agreement for the premises located at 720 Fifth Avenue, New York, USA for a term comprising three (3) years starting on the rent commencement date, with a two (2) year renewal option, for USD 20,000,000 per year, increasing 3% annually, details of which were disclosed in the Company's announcement dated March 19, 2025. The Premises are used as additional retail space as part of the flagship store for the Prada brand in New York, USA. As 720 Fifth USA, Llc., is an indirect wholly-owned subsidiary of Prada Holding S.p.A. (a substantial shareholder of the Company holding approximately 80% of the Company's total issued share capital), 720 Fifth USA, Llc. is a connected person (as defined in the Listing Rules) of the Company. Therefore, the transaction contemplated under the lease agreement constitutes a connected transaction of the Company.

On November 18, 2025, the Company acquired a property located at Via Orobia 3, Milan, Italy from Ludo Due S.r.l. at a purchase price of Euro 66,587,950, details of which were disclosed in the Company's announcement dated November 18, 2025. The Company acquired the property with the potential, subject to further assessment, to develop a new corporate headquarters. Ludo Due S.r.l. is ultimately beneficially owned and controlled by Ms. Miuccia Prada Bianchi (directly for 97% of its share capital and indirectly through Ludo S.p.A. for the remaining 3% of its share capital), an Executive Director, and a substantial shareholder of the Company. Ludo Due S.r.l. is therefore a connected person (as defined in the Listing Rules) of the Company.

Save as disclosed above, none of the transactions disclosed as related party transaction in Note 39 to the Consolidated Financial Statements is a connected transaction or continuing connected transaction, which is subject to the reporting or disclosure requirements under the Listing Rules. The Company has complied with the disclosure requirements governing "connected transactions" and "continuing connected transactions" in accordance with Chapter 14A of the Listing Rules.

Bank loans and other borrowings

Details of the Group's bank loans and other borrowings as of December 31, 2025 are set out in Notes 20 and 25 to the Consolidated Financial Statements.

In connection with the financing of the Versace acquisition, Prada S.p.A. entered into a syndicated facilities agreement (the "Versace Facilities Agreement") for a total amount of Euro 1,500 million, comprising a Euro 1,000 million term loan facility with a five-year maturity from 11 April 2025 and a bridge term loan facility of up to Euro 500 million with a maturity of up to two years from 11 April 2025, as disclosed in the Company's interim report for the six months ended 30 June 2025. The drawdown of the Versace Facilities Agreement was subject to the satisfaction of certain conditions precedent related to the closing of the acquisition ("Closing") and, at Closing, Euro 1,000 million and Euro 300 million were drawn under the term loan and bridge facilities, respectively. In addition, Prada S.p.A. entered into a bilateral term loan facility (together with the Versace Facilities Agreement, the "Facilities Agreements") of Euro 200 million with a seven-year maturity from 20 November 2025, which was also drawn at Closing.

Pursuant to the Facilities Agreements, if it ceases to be the case that 50% of the voting rights of the Company in aggregate are owned by one or any combination of Mr. Patrizio Bertelli and Ms. Miuccia Prada Bianchi and any of the direct lineal descendants of either of them (directly or indirectly and in whatever proportions), the lenders may (i) cancel their commitments under the Facilities Agreements and (ii) declare that all outstanding loans (including the principal, accrued interest and all other amounts accrued) under the Facilities Agreements be immediately due and payable. The inclusion of such change of control provision within the Facilities Agreements is customary and accords with prevailing market practice, serving to protect the lender's position in the event of a material alteration in the ownership structure of the borrower.

Major customers and suppliers

The nature of the Group's activities is such that the percentage of sales or purchases attributable to the Group's five largest customers or suppliers is less than 30% of the total sales or purchases, and the Directors do not consider any customer or supplier to have an influence on the Group.

Retirement benefit schemes

Details of the retirement benefit schemes of the Group are set out in Note 26 to the Consolidated Financial Statements.

Model Code for securities transactions

The Company has adopted the Model Code. Having made specific enquiries to all Directors, all of them have confirmed that they have complied with the standard set out in the Model Code throughout 2025.

Events after the reporting period – if applicable

Details of significant events occurring after the reporting date – if any – are set out in Note 43 to the Consolidated Financial Statements.

Commitments and contingencies

Details of capital commitments and contingent liabilities of the Group as of December 31, 2025 are set out in Note 27 to the Consolidated Financial Statements.

Sufficiency of public float

At the time the Company was listed, the Stock Exchange granted a waiver from strict compliance with Rule 8.08(1) of the Listing Rules (the "Public Float Waiver"). Pursuant to the Public Float Waiver, the Company must at all times maintain a minimum public float of 20%. Based on the information available to the Company and within the knowledge of the Directors, the Company has maintained such minimum public float as of the date of this annual report.

Directors' responsibilities for the Consolidated financial statements

The Directors are responsible for the preparation of the Consolidated Financial Statements for the year ended December 31, 2025, to ensure such Consolidated Financial Statements give a true and fair view of the state of affairs of the Group. In preparing these Consolidated Financial Statements, the Directors have selected suitable accounting policies, made judgments and estimates that are prudent and reasonable, and prepared the Consolidated Financial Statements on a going concern basis and in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board as endorsed by the European Union. The Directors are responsible for keeping proper accounting records for safeguarding the assets of the Company and the Group.

Independent Auditor

The Consolidated Financial Statements and the Separate Financial Statements of the Company are audited by KPMG S.p.A.. Under Italian company law, the independent auditor is appointed, and its remuneration is resolved every three years by the shareholders' general meeting of the Company, on the basis of a proposal made by the Board of Statutory Auditors. On April 13, 2012, the Stock Exchange granted to the Company a waiver from strict compliance with Rule 13.88 of the Listing Rules, which requires the appointment of an independent auditor at each annual general meeting to hold office until the next annual general meeting. Therefore, the Company's independent auditor is appointed, and its remuneration is determined, every three years at the shareholders' general meeting of the Company under the applicable Italian laws.
On April 30, 2025 the shareholders' general meeting of the Company was held (the "2025 AGM"), at which the mandate of Deloitte & Touche S.p.A. expired at the conclusion of the meeting, following its service as the Company's independent auditor for 22 consecutive years since 2003. At the 2025 AGM, the shareholders approved the appointment of KPMG S.p.A. as the Independent Auditor of the Company for the three financial years ending December 31, 2025 to December 31, 2027, and approved its remuneration, in accordance with the recommendations received from the Board of Statutory Auditors and the Audit and Risk Committee.

By order of the Board

Paolo Zannoni
Executive Deputy Chairman

Milan (Italy), March 5, 2026

CHAPTER 6

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 with the principles set out in the Corporate Governance Code (the "Code") in Appendix C1 of the Listing Rules.

Compliance with the Code

The Board has reviewed the Company's corporate governance practices and it is satisfied that such practices have complied with the code provisions set out in the Code, for the year ended December 31, 2025 ("2025"), 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 30, 2025 (the "2025 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 2025 AGM, ensuring the meeting proceeded smoothly with effective communication with the shareholders. This Corporate Governance Section of this Annual Report summarizes how the Company applied the principles and implemented the code provisions contained in the Code for 2025.

Directors' securities transactions

The Company has adopted a written procedure governing Directors' securities transactions on terms no less exacting than those set out in the Model Code. 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 2025. There were no incidents of non-compliance during 2025.

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

Directors' interests as of December 31, 2025, in the shares of the Company and its associated corporations (within the meaning of Part XV of the 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 contained in Appendix C3 of the Listing Rules, are set out in the Directors' Report.

Board of Directors

A. Board Composition

The Board is currently made up of eleven Directors – six Executive Directors and five Independent Non-Executive Directors. The Board has an appropriate mix of skills and experience that is relevant to the Company's strategy, governance, and business, and underpins its management effectiveness and efficiency. Its approach to achieving diversity is set out in the Board Diversity Policy, which is discussed in more detail in the paragraph headed Nomination Committee. Currently female representation at Board level is about 45%. Gender diversity at workforce levels is disclosed in this Annual Report and gender diversity (including Senior Management) is disclosed in the Sustainability Report. The Board believes that diversity should not be limited to gender.

The table below shows the structure, skill sets, expertise, and competencies of the Board:

					Committees				Skills and Expertise				
Directors	Age	Gender	Ethnicity *	ED / INED	Audit and Risk	Remuneration	Nomination	Sustainability	Business Management	Strategic Planning & Risk Management	Financial Reporting / Banking	Legal / ESG	Related Industry Knowledge / Experience
Mr. Patrizio BERTELLI (Chairman of the Board)	79	M	I	ED					x	x			x
Mr. Paolo ZANNONI (Executive Deputy Chairman of the Board)	77	M	I	ED		x			x	x	x		x
Mr. Andrea GUERRA (Chief Executive Officer)	60	M	I	ED					x	x			x
Ms. Miuccia PRADA BIANCHI	77	F	I	ED					x	x			x
Mr. Andrea BONINI (Chief Financial Officer)	46	M	I	ED					x	x	x		x
Mr. Lorenzo BERTELLI	37	M	I	ED			x	x	x	x		x	x
Mr. Yoël ZAOUI (Lead Independent Director)	65	M	NI	INED	x	x			x	x	x		x
Ms. Ilaria RESTA **	52	F	I	INED					x	x	x		x
Ms. Pamela Yvonne CULPEPPER	61	F	NI	INED			x	x	x	x		x	x
Ms. Anna Maria RUGARLI	53	F	I	INED	x	x		x	x	x		x	x
Ms. Cristiana RUELLA	63	F	I	INED	x		x		x	x	x		x

* I refers to Italian and NI refers to Non-Italian
** Co-opted by the Board as an Independent Non-Executive Director with effect from July 30, 2025, in replacement of Ms. Marina Sylvia Caprotti, who has resigned from her position.

Biographical details of the Directors and their relationships, where applicable, are set out in the Directors and Senior Management section of this Annual Report. The Company has maintained both on its own website and on the website of the Stock Exchange an updated list of its Directors, identifying their respective roles and functions.

B. Board Meetings

During 2025, the Board held seven meetings to discuss the Group's overall corporate strategic direction and objectives, assess its operational and financial performance (including the annual budget and the annual, interim and quarterly results), and approve the Group's main investments and extraordinary transactions, including the acquisition of Versace and its relevant financing, the change of an Independent Non-Executive Director, the proposal to change the Independent Auditor, the approval of the 2025 Audit Plan, the 2024 Sustainability Report, and the new Organization, Management and Control Model pursuant to Italian Legislative Decree No. 231 of June 8, 2001, and connected transactions. The average attendance rate of the Directors for these seven meetings, held both in presence and through electronic means, was 92.20%.

Minutes of the Board meetings are kept by the Corporate Affairs Department. Minutes of the Board meetings and all Board Committees meetings are sent to the relevant Directors and are available for inspection by any Director by giving reasonable notice to the Company.

C. Board Attendance

The details of attendance at Board meetings, Board Committees meetings and shareholders' general meeting held during 2025 are set out in the following table:

Directors	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee	Sustainability Committee	Shareholders' Meeting
Executive Directors						
Mr. Patrizio BERTELLI (Chairman)	5/7					0/1
Mr. Paolo ZANNONI (Executive Deputy Chairman)	7/7		3/3			1/1
Mr. Andrea GUERRA (Chief Executive Officer)	7/7					1/1
Ms. Miuccia PRADA BIANCHI	5/7					0/1
Mr. Andrea BONINI (Chief Financial Officer)	7/7					1/1
Mr. Lorenzo BERTELLI	7/7			2/2	3/3	1/1
Independent Non-Executive Directors						
Mr. Yoël ZAOUI (Lead Independent Director) [1]	7/7	7/7	3/3			0/1
Ms. Ilaria RESTA*	2/2					
Ms. Pamela Yvonne CULPEPPER [2]	7/7			2/2	3/3	1/1
Ms. Anna Maria RUGARLI [3]	7/7	6/7	3/3		3/3	1/1
Ms. Cristiana RUELLA [4]	7/7	7/7		2/2		1/1
Statutory Auditors						
Mr. Roberto SPADA (Chairman)	7/7					1/1
Ms. Maria Luisa MOSCONI	7/7					1/1
Ms. Patrizia ARIENTI	7/7					1/1
Dates of the Meetings	Jan 23, 2025	Jan 22, 2025	Jan 15, 2025	Feb 4, 2025	Feb 26, 2025	Apr 30, 2025
	Mar 4, 2025	Feb 10, 2025	Mar 17, 2025	Jul 10, 2025	Jul 16, 2025	
	Apr 7, 2025	Feb 28, 2025	July 17, 2025		Dec 10, 2025	
	Apr 30, 2025	Apr 28, 2025				
	Jul 30, 2025	Jul 28, 2025				
	Oct 23, 2025	Oct 20, 2025				
	Dec 18, 2025	Dec 15, 2025				
Average Attendance Rate of the Directors	92.20%	95.23%	100%	100%	100%	63.63%

Notes:

1. Chairman of the Audit and Risk Committee
2. Chairwoman of the Sustainability Committee
3. Chairwoman of the Remuneration Committee
4. Chairwoman of the Nomination Committee

* Co-opted by the Board as an Independent Non-Executive Director with effect from July 30, 2025, in replacement of Ms. Marina Sylvia Caprotti, who has resigned from her position. Until her resignation, in 2025 Ms. Marina Sylvia CAPROTTI has attended 3/5 Board meetings and 0/1 Shareholders' Meeting.

D. Roles and Responsibilities

The Board is the highest decision-making body of the Company vested with the power to manage all ordinary and extraordinary matters of the Company. The Board has the power to perform all acts it deems necessary or useful in the pursuit of the Company's corporate purposes, except for those acts specifically reserved for approval by the shareholders by relevant laws or regulations or the By-laws. In particular, the Board is responsible for setting the overall strategy, as well as reviewing the operational and financial performance of the Company and the Group. Therefore, the Board considers and decides on all matters concerning the overall Group strategy, including the sustainability strategy, the Group's strategic objectives, annual budgets, annual, interim, and quarterly results, approval of major transactions, connected transactions, and any other significant operational and financial matters. The Board is also responsible for evaluating on an ongoing basis the effectiveness of the internal control and risk management system.

Among the Directors, some, upon the decision of the Board, are granted with specific delegated powers and with power to sub-delegate their powers to selected personnel outside the Board. To this respect, the Company has adopted a system of delegated powers and powers of attorney aimed at ensuring the segregation of duties and the efficient and regular performance of the activities in accordance with the procedures adopted by the Company itself.

During 2025, all Board members were provided with monthly financial updates, prepared by the Executive Directors with the support of the management. The purpose of such updates was to provide a balanced and comprehensive assessment of the performance, position, and prospects of the Group in sufficient detail, in order to enable each Director to perform his/her duties.

The Board believes that corporate culture underpins the long-term business, economic success, and sustainable growth of the Group. The Board sets and promotes company culture and expects and requires employees to follow the Group's procedures and policies. For details, please refer to the Directors' Report and the Sustainability Report.
The Executive Directors are responsible for the day-to-day management of the Company and to make operational and business decisions within the control and delegated powers framework of the Company.

The types of decisions delegated by the Board to the management include:
- the preparation of annual, interim, and quarterly results for the Board's approval;
- the execution of business strategies and other initiatives adopted by the Board;
- the monitoring of operating budgets adopted by the Board;
- the design, implementation and monitoring of the internal control and risk management system; and
- the compliance with relevant statutory requirements, rules and regulations.

E. Independent Non-executive Directors

The Independent Non-Executive Directors provide the Company with diversified skills, expertise, and qualifications as well as varied backgrounds and perspectives. They participate in the Board and Board Committees meetings to provide independent and objective opinions, advice and judgment on important matters relating to the Company's strategy, policies, financial performance, and take the lead on matters where conflicts of interests may arise. The Board also reviews on an annual basis the implementation and effectiveness of the mechanisms established to ensure independent views and input are available to the Board. They also attend the shareholders' general meetings of the Company to understand the views of the shareholders. They make a positive contribution to the development of the Company's strategy and policy through independent, constructive, and informed comments.

The Independent Non-Executive Directors enhance the effectiveness and decision-making of the Board by providing objective judgement and constructive challenge. Their independence is assessed upon appointment, annually, and whenever the circumstances warrant reconsideration.

All the Independent Non-Executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and have, as required by the Listing Rules, provided the Company with the written confirmations as to their independence. The independence of the Independent Non-Executive Directors was further confirmed following the review by the Nomination Committee conducted on February 3, 2026. None of the Independent Non-Executive Directors of the Company has any business or financial interest in the Company or its subsidiaries.

F. Liability Insurance for the Directors
The Company has arranged appropriate liability insurance to indemnify its Directors for their liabilities arising out of corporate activities. The insurance coverage is reviewed on an annual basis.

G. Directors' Training
Upon appointment to the Board, Directors are provided with a comprehensive induction program to ensure that they have a thorough understanding of the key areas of business operations and practices of the Company, as well as their role and responsibilities under the relevant laws, rules, and regulations.

During 2025, Mr. Patrizio Bertelli, Mr. Paolo Zannoni, Ms. Miuccia Prada Bianchi, Mr. Andrea Guerra, Mr. Lorenzo Bertelli, Mr. Andrea Bonini, Mr. Yoël Zaoui, Ms. Ilaria Resta, Ms. Pamela Yvonne Culpepper, Ms. Anna Maria Rugarli, and Ms. Cristiana Ruella participated in training provided by Company on business updates and sector's developments. The Directors also received updates on the development of the laws, rules and/or regulations relating to Directors' duties and responsibilities to develop and refresh their knowledge and skills, including the proposed amendments on corporate governance rules and related Listing Rules. Ongoing training helps Directors keep abreast of current trends and issues facing the Group, while enabling them to update and refresh their skills and knowledge necessary to perform their duties. As Ms. Marina Sylvia Caprotti resigned as Independent Non-Executive Director on July 30, 2025, she did not participate in the director's training provided by the Company during 2025.

All Directors confirmed that they have participated in continuous professional development as required by the Rules 3.09F, 3.09G and 3.09H of the Listing Rules during 2025 and have provided the Company with their training records. Ms. Ilaria Resta, who has been appointed as Independent Non-Executive Director on July 30, 2025, completed 10.2 hours of continuous professional development since her appointment to 31 December 2025. The records of the continuous professional developments and training of the Directors are maintained by the Corporate Affairs Department.

Directors	Board and directors' duties	Listing Rules and Hong Kong law compliance	Corporate governance and ESG	Risk management and internal controls	Industry and business updates	Total no. of hours
Mr. Patrizio BERTELLI	0.25 (b)	0.25 (b)	0.25 (b) + 3 (c)	1 (a) + 0.25 (b)	1.5 (a)	6.5
Mr. Paolo ZANNONI	0.25 (b)	0.25 (b)	0.25 (b) + 3 (c)	1 (a) + 0.25 (b)	1.95 (a)	6.95
Mr. Andrea GUERRA	0.25 (b)	0.25 (b)	0.25 (b) + 3 (c)	1 (a) + 0.25 (b)	1.95 (a)	6.95
Ms. Miuccia PRADA BIANCHI	0.25 (b)	0.25 (b)	0.25 (b) + 3 (c)	1 (a) + 0.25 (b)	1.7 (a)	6.7
Mr. Andrea BONINI	0.25 (b)	0.25 (b)	0.25 (b) + 3 (c)	1 (a) + 0.25 (b)	1.95 (a)	6.95
Mr. Lorenzo BERTELLI	0.25 (b)	0.25 (b)	0.25 (b) + 3 (c)	1 (a) + 0.25 (b)	1.95 (a)	6.95
Mr. Yoël ZAOUI	0.25 (b)	0.25 (b)	0.25 (b) + 3 (c)	1 (a) + 0.25 (b)	1.95 (a)	6.95
Ms. Ilaria RESTA	1 (c) + 0.25 (b)	0.25 (b)	0.25 (b) + 6.5 (c)	1 (a) + 0.25 (b)	0.7 (a)	10.2
Ms. Pamela Yvonne CULPEPPER	0.25 (b)	0.25 (b)	0.25 (b) + 3 (c)	1 (a) + 0.25 (b)	1.95 (a)	6.95
Ms. Anna Maria RUGARLI	0.25 (b)	0.25 (b)	0.25 (b) + 3 (c)	1 (a) + 0.25 (b)	1.95 (a)	6.95
Ms. Cristiana RUELLA	0.25 (b)	0.25 (b)	0.25 (b) + 3 (c)	1 (a) + 0.25 (b)	1.95 (a)	6.95

Notes:
(a) Internal updates provided by Company
(b) External Training provided by legal advisors – Slaughter and May
(c) Self-study

Chairman and Chief Executive Officer

During 2025, Mr. Patrizio Bertelli continued to serve as Chairman of the Board and Mr. Andrea Guerra continued to serve as Chief Executive Officer. The role of the Chairman is separate from that of the Chief Executive Officer. The Chairman is vested with the powers to represent the Company and provides leadership to the Board. He is responsible for ensuring that the Board is functioning effectively and adheres to good corporate governance practices and

procedures. The Chief Executive Officer, supported by the other Executive Directors and senior management, is responsible for managing the Company's business, including the implementation of major strategies and other initiatives adopted by the Board.

Relationships between Directors

Ms. Miuccia Prada Bianchi (Executive Director of the Company) and Mr. Patrizio Bertelli (Chairman of the Board and Executive Director of the Company) are husband and wife. Mr. Lorenzo Bertelli (Executive Director of the Company) is the son of Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli.

Appointment of the Board members

At the shareholders' general meeting of the Company held on April 24, 2024 (the "2024 AGM"), the Board (consisting of eleven Directors) was appointed for a term of three financial years. On July 30, 2025, Ms. Ilaria Resta was appointed as Independent Non-Executive Director, in replacement of Ms. Marina Sylvia Caprotti. On July 25, 2025, Ms. Ilaria Resta obtained legal advice for the purpose of Rule 3.09D of the Listing Rules as regards the requirements under the Listing Rules that are applicable to her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange and has confirmed she understood her obligations as a director of a listed issuer.

Ms. Marina Sylvia Caprotti has resigned as Independent Non-Executive Director with effect from July 30, 2025.

The mandate of all the current Directors will lapse on the date of the shareholders' general meeting called to approve the financial statements of the Company for the year ending December 31, 2026.

Under the Company's By-laws, the Directors may be re-appointed.

Corporate Governance Functions of the Board

The Board is responsible for determining and supervising the implementation of the Company's corporate governance policies and ensuring its compliance with the provisions of the Code. The Board's role in this regard is:

(i) to develop and review the Company's policies and practices on corporate governance;
(ii) to review and monitor the training and continuous professional development of Directors and senior management;
(iii) to review and monitor the Company's policies and practices regarding compliance with legal and regulatory requirements;
(iv) to develop, review and monitor the Code of Ethics, the Organisation, Management and Control Model (adopted pursuant to Italian Legislative Decree No. 231 of June 8, 2001) and the Company's procedures applicable to directors and employees;
(v) to review relevant Environmental, Social and Governance ("ESG") matters;
(vi) to review the Company's compliance with the Code and the disclosure of such in this Corporate Governance Section of this Annual Report; and
(vii) to perform any other corporate governance duties and functions set out by the Listing Rules or other applicable rules, for which the Board shall be responsible.

During 2025, the Board completed the following activities with respect to corporate governance matters:

(i) approved the appointment by means of co-optation of Ms. Ilaria Resta as an Independent Non-Executive Director of the Company, in replacement of Ms. Marina Sylvia Caprotti, who has resigned from her position;
(ii) submitted the proposal for the appointment of the new Independent Auditor;
(iii) approved the adoption of the new Organization, Management and Control Model pursuant to Italian Legislative Decree No. 231 of June 8, 2001 of the Company and the new Code of Ethics of the Group;
(iv) approved the adoption of the new Long Term Incentive Plan for the three-year period 2025-2027;
(v) reviewed the level of compliance with the Code;
(vi) reviewed the effectiveness of the internal control, risk management system and ESG performance of the

Company through the Internal Audit Department, the Audit and Risk Committee, and the Sustainability Committee;

(vii) reviewed and approved the Sustainability Report and the new Group Environmental Policy;

(viii) approved the Group's main transactions, including connected transactions, and extraordinary transactions with third parties; and

(ix) reviewed and/or approved the updated versions of the Board Diversity Policy, Shareholders' Communication Policy, and the terms of reference of the Nomination Committee.

Board Committees

The Board has established the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee, and the Sustainability Committee, each chaired by an Independent Non-Executive Director, in compliance with the Code. The Terms of Reference and membership of the first three Board Committees are published on the websites of both the Company and the Stock Exchange. The Terms of Reference of the Board Committees are no less exacting than those set out in the Code. The Board Committees are provided with sufficient resources to perform their duties and upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company's expense.

A. 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 membership of the Audit and Risk Committee consists of three Independent Non-Executive Directors, namely Mr. Yoël Zaoui, Ms. Cristiana Ruella and Ms. Anna Maria Rugarli.

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 independent audit process, the internal audit process and financial controls activity, to implement the Company's risk management functions, to examine the work plan of internal audit, to review the relationship with the Independent Auditor by reference to the work performed by the Independent 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 2025, the Audit and Risk Committee held seven meetings on January 22, February 10, February 28, April 28, July 28, October 20, and December 15 (with an average attendance rate of 95.23%) mainly to review, with senior management, the Internal Audit Department, Independent Auditor and Board of Statutory Auditors, the significant internal and independent audit findings and financial matters as required under the Audit and Risk Committee's Terms of Reference and to make relevant recommendations to the Board. The Audit and Risk Committee's review covered, inter alia, the audit plan for 2025, the findings of both the Internal Audit Department and the Independent Auditor reporting activities, internal controls and audit activities over the supply chain, risk assessment, annual review of the continuing connected transactions of the Group for 2024, the Group budget for 2025, the Sustainability Report for the year ended December 31, 2024, connected transactions and extraordinary transactions with third parties, Group policies, to give updates on the selection process for the new Independent Auditor to be appointed by the shareholders' meeting for the three-year period 2025-2027 and recommend it to the Board, the adequacy of resources (internal and external) for designing, implementing and monitoring the risk management and internal control systems, the methodology applied to the impairment test, tax and legal updates and financial reporting matters (including the annual results for the year ended December 31, 2024, the interim financial results for the six months ended June 30, 2025, and the quarterly results for the three months ended March 31, 2025, and the nine months ended September 30, 2025, respectively), before recommending them to the Board for approval.

The Audit and Risk Committee also held two meetings – on February 9, 2026 and March 2, 2026 – to examine and recommend to the Board the approval of the 2026 Group budget, to review connected transactions, to discuss the audit activities on the 2025 Separate Annual Report and Annual Report of the Company presented by KPMG S.p.A., to evaluate the methodology applied to the impairment test, to discuss the status of the major pending litigations, including tax litigations, of the Group, to have an update on the internal audit and risk management activities, including the audits on the supply chain, and to review, for 2025, the annual results, the Sustainability Report, the continuing connected transactions, and the Internal Audit Department and Audit and Risk Committee reports.

Independent Auditor's compensation

Since January 1, 2025, KPMG S.p.A. has been appointed as new Independent Auditor of the Group. The total fees and expenses accrued in favor of KPMG S.p.A. and its network for the audit of the financial statements for 2025, together with non-audit services, are illustrated below (amounts in thousands of Euro):

Type of service	Audit Firm	Provided to	twelve months ended December 31 2025
Audit services	KPMG S.p.A.	Prada S.p.A.	565
Audit services	KPMG S.p.A.	Subsidiaries	480
Audit services (*)	KPMG Network	Subsidiaries	1,278
Total audit fees to KPMG Network			2,323
Audit related services	KPMG S.p.A.	Prada S.p.A.	102
Audit related services	KPMG S.p.A.	Subsidiaries	10
Audit related services	KPMG Network	Subsidiaries	16
Other advisory services	KPMG Network	Subsidiaries	27
Total non-audit fees to KPMG Network			155
Total compensation to KPMG Network			2,478

(*) The amount included the contribution of Versace

The total fees and expenses accrued in favor of the former Independent Auditor Deloitte & Touche S.p.A. and its network for the audit of the financial statements for the year ended December 31, 2024, together with non-audit services, are illustrated below (amounts in thousands of Euro):

Type of service	Audit Firm	Provided to	twelve months ended December 31 2024
Audit services	Deloitte & Touche S.p.A.	Prada S.p.A.	550
Audit services	Deloitte & Touche S.p.A.	Subsidiaries	229
Audit services	Deloitte Network	Subsidiaries	1,017
Total audit fees to Deloitte Network			1,796
Other advisory services	Deloitte Network	Prada S.p.A.	150
Other advisory services	Deloitte Network	Subsidiaries	90
Total non-audit fees to Deloitte Network			240
Total compensation to Deloitte Network			2,036

B. 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 membership of the Remuneration Committee consists of two Independent Non-Executive Directors, Ms. Anna Maria Rugarli (Chairwoman) and Mr. Yoël Zaoui, and the Executive Deputy Chairman and Executive Director, Mr. Paolo Zannoni.

During 2025, the Remuneration Committee held three meetings on January 15, March 19, and July 17 (with an attendance rate of 100%) to review the remuneration of the senior management of the Company, to review and discuss the variable remuneration of the Executive Directors and top management of the Company, to review and make a proposal on the new long-term incentive ("LTI") plan for the three-year period 2025-2027, and to review and propose the remuneration as member of the Board of Ms. Ilaria Resta, as newly appointed Independent Non-Executive Director of the Company.

The Remuneration Committee also held one meeting on February 18, 2026, to review the overall remuneration, including the short-term and long-term variable remuneration, of the management of Versace, including the remuneration of the Executive Chairman of Gianni Versace S.r.l..

Remuneration Policy

The Group's remuneration policy is aimed at attracting, rewarding, and retaining its personnel, who are considered the key to the success of the Group's business. This "Human Capital" is preserved through constant monitoring, in order both to maintain engagement with the Company and a remuneration policy in line with the market. To ensure the Company's ability to attract and retain talent, the Company's remuneration policy is built upon the principles of providing an equitable and market-competitive remuneration package that supports the performance culture and enables the achievement of strategic business goals.

The Group's remuneration policy is designed to reward and retain highly professional staff and skilled managers, new graduates, and workers, and to create value in the medium- and long term through constant organizational learning and the consolidation of collaborators' experiences and skills.

The policy comprises fixed, variable, direct and deferred components, appropriate for the relevant position and professional qualifications, and is consistent with the needs of the various geographic areas.

The Group has an incentive system that links compensation with the annual performance of the Group, taking into account the Group's economic and financial objectives, as well as the objectives of each department, depending on the role of the specific individual.

The Group has adopted long-term cash incentive plans for executive directors, senior managers, and key managers for retention purposes. Entitlement to benefits under those plans vests in the eligible executive director, senior manager, or key manager, subject to the achievement by the Group of one or more economic and financial objectives, as well as certain ESG targets, and his/her presence within the Group at the end of a three-year period.

Other incentive schemes specific to sales staff are also in place, and operations and manufacturing staff of the Group may receive a collection bonus following the development of a seasonal collection.

The aggregate basic remuneration of the Board is approved by the shareholders in a general meeting. The additional remuneration of each Director vested with special offices (that is, the Executive Directors and members of the Board Committees) is determined by the Board after having considered the recommendation of the Remuneration Committee and the opinion of the Board of Statutory Auditors.

Under the current remuneration package, the Executive Directors receive remuneration in the form of fees, salaries and other benefits, discretionary bonuses and/or other incentives, including non-monetary benefits and other allowances and contributions such as contributions to retirement benefits schemes. The Independent Non-Executive Directors receive remuneration in the form of fees and contributions to retirement benefits schemes, as the case may be. No Director is allowed to approve his/her own remuneration.

C. 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, and to support the Company's regular evaluation of the performance of the Board.

The membership of the Nomination Committee consists of two Independent Non-Executive Directors, Ms. Cristiana Ruella (Chairwoman) and Ms. Pamela Yvonne Culpepper, and one Executive Director, Mr. Lorenzo Bertelli.

During 2025, the Nomination Committee held two meetings on February 4 and July 10 (with an attendance rate of 100%), to review the Terms of Reference and to perform the annual review of both the independence of the Independent Non-Executive Directors and of the structure, size, and composition of the Board for 2024, and to recommend to the Board the appointment of Ms. Ilaria Resta as Independent Non-Executive Director in replacement of Ms. Marina Sylvia Caprotti. The terms of reference of the Nomination Committee have been updated and approved by the Board on October 23, 2025.

The Nomination Committee also held one meeting on February 3, 2026 (with an attendance rate of 100%), to perform the annual review of both the independence of the Independent Non-Executive Directors and of the structure, size, and composition of the Board for 2025.

With a view to achieving sustainable and balanced development, the Company has viewed diversity at the Board level as an essential element to attain its strategic objectives and its development. The Board Diversity Policy was originally adopted by the Board in September 2013. On October 23, 2025, the Board adopted a new version of the Board Diversity Policy, substantially in line with the previous version, updated to the current applicable Listing Rules, as well as compliant with the most recent best practices. According to the principles set out in the Board Diversity Policy, all Board members' appointments are based on merit, with candidates proposed and selected based on objective criteria, with due regard for diversity within the Board. Diversity in this sense encompasses a wide range of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, and knowledge. The final selection is based on merit and the contribution which the candidates can bring to the Board. Throughout 2025, and up to the date of this Annual Report, the Board has five female Directors (four being Independent Non-Executive Directors), representing approximately 45% of the Board and 80% of the Independent Non-Executive Directors. The Company is committed to maintaining a Board with an appropriate level of female members, which shall be no less than 40% of the Independent Non-Executive Directors and 30% of all members of the Board by year. The Nomination Committee has been delegated the overall responsibility for implementing and monitoring the implementation of the Board Diversity Policy. The Nomination Committee discusses any revisions that may be required to ensure the effectiveness of the Board Diversity Policy with access to independent external consultants and recommends any such revisions to the Board for its approval.

On March 15, 2019, the Board first adopted the nomination policy for the Directors (the "Director Nomination Policy"), which provides guidance on the proposal for the appointment or re-appointment of the directors or to fill casual vacancies and sets out the processes and criteria for the nomination of a candidate for directorship in the Company. The Company adopted the Director Nomination Policy to regulate the nomination process of Directors, so as to ensure that all nominations of the Board members are made in a fair and transparent manner, in order to maintain an appropriate balance of skills, experience and diversity within the Board, that are relevant to the Company's strategy, governance and business, and which can contribute to the effectiveness and efficiency of the Board's management. On January 25, 2024, the Board adopted a new version of the Director Nomination Policy, substantially in continuity with the previous version, updated to the current applicable Listing Rules, as well as compliant with the most recent best practices.

The Director Nomination Policy contains a number of factors for assessing the suitability of a proposed candidate, including the high ethical character and reputation for integrity, professional qualifications, skills, knowledge and experience, available time commitment, merit and potential contributions to the Board, as well as the independence criteria under the Listing Rules (where applicable), including the independence of long serving Independent Non-Executive Directors (where applicable).

The Nomination Committee considers the candidates proposed by shareholders for new directorship or for re-election and makes recommendations for the Board's consideration. The Board will then decide whether the proposed candidate shall be eligible to be appointed or re-appointed, as the case may be, as a director of the Company and will in turn recommend shareholders to vote in favor of the relevant resolutions to be proposed at the shareholders' general meeting of the Company.

D. 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 Directors' Report includes the governance of sustainability issues and how the Company approaches and manages the Group's material ESG topics.

The membership of the Sustainability Committee consists of two Independent Non-Executive Directors, Ms. Pamela Yvonne Culpepper (Chairwoman) and Ms. Anna Maria Rugarli, and one Executive Director, Mr. Lorenzo Bertelli.

During 2025, the Sustainability Committee held three meetings on February 26, July 16 and December 10 (with an average attendance rate of 100%) to discuss and approve the Sustainability Report for the year ended December 31, 2024, to provide updates on the progress and achievements in the ESG strategy of the Group both for corporate, industrial – including the presentation of the ESG governance framework applied to the industrial supply chain and the results on the audit activities on the same –, and HR sustainability, to review and discuss the main initiatives and partnerships to support ESG-related projects, including the SEA BEYOND project and the partnership with UNESCO, and to review and discuss the ESG information to be included in the presentation of financial results for both the year ended December 31, 2024, and the first half of 2025.

The Sustainability Committee also held one meeting on February 25, 2026, to discuss and approve the Sustainability Report for 2025, and to provide updates on the progress and achievements in the ESG strategy of the Group both for corporate, industrial, and HR sustainability, as well as on the supply chain audit activities conducted in 2025.

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.

At the 2024 AGM, the Board of Statutory Auditors was appointed for a term of three financial years (2024-2026). The mandate of the current Board of Statutory Auditors will expire at the shareholders' general meeting to approve the financial statements of the Company for the year ending December 31, 2026.

The Board of Statutory Auditors of the Company consists of Mr. Roberto Spada (Chairman), Ms. Maria Luisa Mosconi, and Ms. Patrizia Arienti. The alternate statutory auditors are Ms. Stefania Bettoni and Mr. Cristiano Proserpio.

Change in Information of Directors Disclosed Pursuant to the Rule 13.51B(1) of the Listing Rules

Pursuant to Rule 13.51B(1) of the Listing Rules, the change of directors' information of the Company since the Company's 2025 Interim Report is as follows:

With effect from February 1, 2026, the annual remuneration of Mr. Lorenzo Bertelli has increased to a fixed amount of approximately Euro 600,000 gross per year (including fees as a member of the Board), bonuses and other incentives have increased to approximately Euro 600,000, and other benefits in kind has increased to approximately Euro 27,500.

As of December 2025, Mr. Andrea Guerra ceased to hold directorships in subsidiaries of the Company.

Directors' responsibility and auditors' responsibility for Consolidated Financial Statements

The Directors are responsible for preparing the Consolidated Financial Statements of the Group for 2025 to ensure such Consolidated Financial Statements give a true and fair view of the state of affairs of the Group. In preparing these Consolidated Financial Statements, the Directors have selected suitable accounting policies and made prudent and reasonable judgments and estimates. The Consolidated Financial Statements have been prepared on a going concern basis and in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board as endorsed by the European Union. In addition, the Board is generally satisfied of the adequacy of resources, staff qualifications and experience, training program and budget of the Company's accounting and financial reporting function during 2025.

With respect to the Independent Auditor of the Company, its responsibilities are stated in the auditor's reports on the Consolidated Financial Statements.

Internal control and risk management

The Group's internal control system has mainly been designed to safeguard the assets of the Group, to maintain proper accounting standards, to ensure that appropriate authority has been given for the performance of acts by the Company, and to comply with the relevant laws and regulations. The Group has adopted a strict Anti-Corruption Policy and an Auditor Transactions Policy to support anti-corruption laws and regulations and monitoring the independence of the Independent Auditor.

To better control its activities in achieving the established objectives, the Group has adopted procedures to identify, evaluate and manage the specific risks arising out of the continuous changes which affect the Group's operations and the regulatory framework to which it is subject.

The Board has adopted a Whistleblowing Policy which provides reporting channels and guidance for employees and other parties who deal with the Group (e.g., contractors and suppliers, etc.) to report possible improprieties in matters of financial reporting or other matters. The Whistleblowing Policy and the Anti-Corruption Policy are available on the Company's website.

The Board places great importance on maintaining a sound and effective internal control and risk management system to safeguard the shareholders' investment and the Company's assets.
The Board has acknowledged its responsibility for the internal control and risk management system – including financial, operational and compliance controls functions – and for the ongoing monitoring and review of its effectiveness. Such a system is designed to manage rather than eliminate risks and is aimed at providing reasonable and not absolute assurance against material misstatement or loss.

The management, with the support of the Internal Audit Department, has the responsibility, as delegated by the Board, to identify, evaluate and manage the risk factors that may affect the Group's operations and to resolve any material internal control defects that may arise.

In particular, during 2025, the Internal Audit Department assessed the Company's activities and controls to mitigate the health and safety risk at work as well as the risk of data breach and cyber-attack.

The Internal Audit Department provides an independent review of the adequacy and effectiveness of the internal control and risk management system. The audit plan is discussed and agreed every year by the Audit and Risk Committee before being submitted to the Board for approval. In addition to its agreed annual schedule of work, the Internal Audit Department conducts other special reviews as required. The risk assessment documents are periodically updated by the Internal Audit Department with the support of the management, then reviewed by the Audit and Risk Committee and submitted to the Board for approval.

The Board has received specific confirmation from the relevant management personnel of the Company on the effectiveness of the Group's internal control and risk management system throughout 2025.

During 2025, no significant control failings or weaknesses were identified.

The Board, with the support from the Audit and Risk Committee, has been reviewing the internal control and risk management system of the Group on an ongoing basis (with the same frequency as regular Board meetings were held) and is generally satisfied that the internal control and the risk management system has functioned effectively and has been adequate for the Group as a whole, throughout 2025.

Moreover, the Board is generally satisfied of the adequacy of resources, staff qualifications and experience, the training program and the budget of the Company's internal audit and risk management function, and the effectiveness of the Company's processes for financial reporting and listing rules compliance, during 2025.

Supervisory Body (Organismo di Vigilanza)

In compliance with Italian Legislative Decree No. 231 of June 8, 2001 (the "Decree"), the Company established a Supervisory Body (Organismo di Vigilanza) 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 Decree. The Supervisory Body has three members appointed by the Board and selected among qualified and experienced individuals. The current members of the Supervisory Body, including its Chairwoman, were appointed by the Board on April 24, 2024, and consists of Ms. Stefania Chiaruttini (Chairwoman), Mr. Armando Simbari and Mr. Roberto Spada, Chairman of the Board of Statutory Auditors.

Inside Information

The Company handles and disseminates inside information in accordance with the requirements of the Securities and Futures Ordinance and the Listing Rules.

With regard to the procedures and internal controls for the handling and dissemination of inside information, the Company:

- has adopted an inside information disclosure policy to ensure potential inside information is identified and confidentiality is maintained until timely and proper disclosure is made (the "Inside Information Disclosure Policy"), which has been reviewed and updated by the Board on January 25, 2024;
- has made available on the Company's intranet the Inside Information Disclosure Policy in order to ensure immediate access to it by the entire Group's staff;
- has included in the procedures governing Directors and relevant employees a prohibition on dealing in the Company's shares whilst in possession of inside information; and
- has authorized only the Executive Directors and a few selected members of the management to act as spokespersons and respond to external enquiries.

In addition, the Board has established an Inside Information Committee, whose current members were appointed on April 24, 2024, and consist of the Chairman of the Board and Executive Director Mr. Patrizio Bertelli, the Executive Deputy Chairman of the Board and Executive Director Mr. Paolo Zannoni, and the Chief Financial Officer and Executive Director Mr. Andrea Bonini. The Inside Information Committee has been delegated with the power to assess, if necessary, any potential inside information, and to keep all other Directors timely informed about its decisions.

Company Secretary

During 2025, Ms. Tong Pui Ting, Wendy undertook over 15 hours of relevant professional training to update her skills and knowledge. Her biography is set out in the Directors and Senior Management section of this Annual Report.

Shareholders' Rights

A. Convening of shareholders' general meeting at shareholders' request
Pursuant to Article 14.2 of the Company's By-Laws, a shareholders' general meeting has to be called by the Board when requested by shareholders representing at least one-twentieth of the Company's share capital, provided that the request mentions the item(s) to be discussed at the meeting. If there is an unjustified delay in calling the meeting by the Board, action will be taken by the Board of Statutory Auditors.

B. Putting forward proposals at shareholders' general meeting
Pursuant to Article 14.5 of the Company's By-Laws, shareholders who, individually or jointly, own or control at least one-fortieth of the Company's share capital may request in writing for additions to be made to the list of items on the agenda, within ten days from the notice of call for a shareholders' general meeting, by setting out the proposed additions. The proposals should be directed to the Company by email at corporateaffairs@prada.com.

C. Making an enquiry to the Board
Enquiries about matters to be put forward to the Board should be directed to the Company by email at corporateaffairs@prada.com. The Company will not normally deal with verbal or anonymous enquiries.

D. Procedures for shareholders to propose a person for election as Director
The procedures for a shareholder to nominate a person for election as a Director of the Company are set out in Articles 19.3 and 19.4 of the Company's By-laws, details of which have been disclosed on the Company's corporate website (www.pradagroup.com).

Constitutional Documents

The current By-laws of the Company (the "By-laws") was adopted by the shareholders' meeting on April 27, 2023, and are available for viewing on the websites of the Company and the Stock Exchange.

Communication with Shareholders

A. Dividend Policy
On March 15, 2019, the Board formalized and adopted a Dividend Policy to set out the framework that the Company has put in place in relation to dividend payouts to shareholders. The Company aims to provide its shareholders a sustainable dividend stream, taking into account financial results, cash flow situation, working capital requirements, capital expenditures, investment requirements, future operations and earnings, business conditions and strategies, interests of shareholders and any statutory or regulatory restrictions (including under Italian law and the Company's By-laws) on payment of dividends.

The Board reviews the Dividend Policy from time to time and may adopt changes, as appropriate, to ensure the effectiveness of the Dividend Policy. The Board reviewed and updated the Dividend Policy on January 25, 2024.

At the 2025 AGM, the shareholders approved the distribution of a final dividend of Euro 0.164 per share for the financial year ended December 31, 2024, representing a total dividend of Euro 419,647,136, which was paid on May 19, 2025.

B. Investor relations and communications
The Company endeavors to maintain a high level of transparency when communicating with the shareholders and the financial community in general. The Company has maintained a regular dialogue with – and fair disclosure to – institutional shareholders, fund managers, research analysts and the finance media. Investor/ analysts briefings and one-to-one meetings, investor conferences and results briefings are conducted on a regular basis in order to facilitate communication between the Company, shareholders, and the investment community. The Company strives to ensure effective and timely dissemination of information to shareholders and the investment community at all times and will regularly review the arrangements to ensure its effectiveness.
The Company's corporate website (www.pradagroup.com) facilitates effective communications with shareholders,

investors, and other stakeholders, making corporate information and other relevant financial and non-financial information available electronically and on a timely basis. This includes extensive information about the Group's performance and activities via the annual report, interim report, social responsibility report, press releases, presentations, announcements, circulars to shareholders and notices of general meetings, etc.

The Board has adopted a Shareholders Communication Policy, which is subject to annual review to ensure its effectiveness and implementation. On July 30, 2024, the Board adopted a new version of the Shareholders Communication Policy, substantially in continuity with the previous version, updated to the current applicable Listing Rules, including the new Rule 2.07, as well as compliant with the most recent best practices. The Company is generally satisfied that the implementation of the Shareholders Communication Policy has functioned effectively throughout 2025.

C. Shareholders' meetings

The Company strives to maintain an on-going dialogue with its shareholders. Shareholders are encouraged to participate in general meetings either in person or through appointed proxies to attend and vote at meetings for and on their behalf if they are unable to attend such meetings. The process of the Company's general meeting is monitored and reviewed on a regular basis.

The Company uses the shareholders' general meeting as one of the main channels for communicating with the shareholders and to ensure that shareholders' views are communicated to the Board. At the shareholders' general meeting, each substantially separate issue is proposed and considered by a separate resolution (including the election of individual directors).

During the year, the Company held one shareholders' meeting. The 2025 AGM was held online only. Directors, including the Executive Deputy Chairman, the Chief Executive Officer, the majority of Independent Non-Executive Directors, the Company Secretary, the former Independent Auditor of the Company, Deloitte & Touche S.p.A., the majority of the members of the Board of Statutory Auditors, and the scrutineer, attended the 2025 AGM.

All resolutions submitted to the shareholders at the 2025 AGM were duly passed, and the voting results of such resolutions were disclosed in the announcement of the Company dated April 30, 2025. Computershare Hong Kong Investor Services Limited, the Company's Hong Kong share registrar, acted as scrutineer for the vote taking at the 2025 AGM.

D. Corporate communications

In order to increase the efficiency in communication with shareholders and to contribute to environmental protection, the Company has adopted electronic dissemination of corporate communications in compliance with the new Rule 2.07 of the Listing Rules and will only send corporate communications in printed form to shareholders upon request. The English and Chinese versions of all corporate communications are available electronically on the Company's website at www.pradagroup.com and on the HKEXnews website at www.hkexnews.hk.

CHAPTER 7

Consolidated Financial Statements

Consolidated Statement of financial position

(amounts in thousands of Euro)	Notes	December 31 2025	December 31 2024 (*)
Assets			
Current assets			
Cash and cash equivalents	8	1,261,676	1,011,563
Trade receivables	9	468,466	423,733
Inventories	10	1,059,042	866,160
Derivative financial instruments - current	11	20,592	12,487
Receivables due from, and advance payments to, related parties - current	12	185	141
Other current assets	13	232,289	179,271
Total current assets		3,042,250	2,493,355
Non-current assets			
Property, plant and equipment	14	2,459,155	2,255,055
Goodwill	15	1,517,902	515,507
Intangible assets	15	382,085	352,413
Right of use assets	16	2,983,620	2,278,955
Investments in equity instruments and associates	17	67,523	37,624
Deferred tax assets	35	391,997	408,971
Other non-current assets	18	157,827	139,086
Derivative financial instruments - non-current	11	5,761	2,571
Receivables due from, and advance payments to, related parties - non-current	12	4,817	369
Total non-current assets		7,970,687	5,990,551
Total assets		11,012,937	8,483,906
Liabilities and equity			
Current liabilities			
Lease liabilities – current	19	524,699	434,135
Current financial liabilities and bank overdrafts	20	439,861	183,247
Liabilities due to related parties - current	21	21	8,279
Trade payables	22	628,166	481,615
Income tax liabilities	23	41,603	99,306
Other taxes liabilities	23	87,404	77,832
Derivative financial instruments - current	11	10,475	27,778
Other current liabilities	24	467,212	371,260
Total current liabilities		2,199,441	1,683,452
Non-current liabilities			
Lease liabilities - non-current	19	2,567,180	1,940,978
Non-current financial liabilities	25	1,292,505	220,941
Long-term employee benefits	26	75,928	81,749
Provisions for risks and charges	27	83,336	64,284
Deferred tax liabilities	35	42,897	43,416
Other non-current liabilities	28	85,883	95,310
Derivative financial instruments – non-current	11	-	399
Total non-current liabilities		4,147,729	2,447,077
Total liabilities		6,347,170	4,130,529
Share capital		255,882	255,882
Total other reserves		3,533,026	3,089,564
Translation reserve		3,385	148,959
Profit for the year		851,936	838,907
Equity attributable to the owners of Prada S.p.A.	29	4,644,229	4,333,312
Equity attributable to non-controlling interests	30	21,538	20,065
Total equity		4,665,767	4,353,377
Total liabilities and total equity		11,012,937	8,483,906

(*) Please refer to Note 2 for additional information

The Notes on pages 122 to 183 are an integral part of these consolidated financial statements.

Consolidated Statement of profit or loss for the year ended December 31, 2025

(amounts in thousands of Euro)	Notes	twelve months ended December 31 2025	% on net revenues	twelve months ended December 31 2024 (*)	% on net revenues
Net revenues	31	5,717,521	100%	5,431,557	100%
Cost of goods sold	32	(1,125,444)	-19.7%	(1,094,865)	-20.2%
Gross margin		4,592,077	80.3%	4,336,692	79.8%
Operating expenses	33	(3,293,037)	-57.6%	(3,057,142)	-56.3%
Operating income - EBIT		1,299,040	22.7%	1,279,550	23.6%
Interest and other financial expenses		(34,531)	-0.6%	(40,410)	-0.7%
Interest and other financial income		24,539	0.4%	19,206	0.4%
Interest expenses on lease liabilities		(87,764)	-1.5%	(69,623)	-1.3%
Net financial expenses	34	(97,756)	-1.7%	(90,827)	-1.7%
Profit before income taxes		1,201,284	21.0%	1,188,723	21.9%
Income taxes	35	(346,362)	-6.1%	(345,323)	-6.4%
Profit for the year		854,922	15.0%	843,400	15.5%
Profit for the year att. to non-controlling interests	30	2,986	0.1%	4,493	0.1%
Profit for the year att. to the owners of Prada S.p.A.	29	851,936	14.9%	838,907	15.4%
Basic and diluted earnings per share (in Euro)	36	0.333		0.328	

(*) Please refer to Note 2 for additional information

The Notes on pages 122 to 183 are an integral part of these consolidated financial statements.

Consolidated Statement of comprehensive income for the year ended December 31, 2025

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024
Profit for the year	854,922	843,400
A) Items that may be reclassified subsequently to profit or loss:	**(130,062)**	**42,213**
Foreign exchange rate differences on translation of foreign operations	(147,165)	56,573
Tax impact	-	-
Change in Translation reserve net of tax impact	(147,165)	56,573
Gains / (losses) on cash flow hedging instruments	22,491	(18,890)
Tax impact	(5,388)	4,530
Change in Cash flow hedge reserve net of tax impact	17,103	(14,360)
B) Items that will not be reclassified subsequently to profit or loss:	**226**	**(1,382)**
Change in Fair Value of equity instruments at OCI	-	(2,219)
Tax impact	-	-
Change in Fair Value of equity instruments reserve net of tax impact	-	(2,219)
Remeasurement of defined benefit plans	558	1,128
Tax impact	(332)	(291)
Change in defined benefit plans reserve net of tax impact	226	837
Total comprehensive income for the year	725,086	884,231
Comprehensive income for the year attributable to non-controlling interests	1,399	5,109
Comprehensive income for the year attributable to the owners of Prada S.p.A.	723,687	879,122

The Notes on pages 122 to 183 are an integral part of these consolidated financial statements.

Consolidated Statement of cash flows for the year ended December 31, 2025

(amounts in thousands of Euro)	Notes	twelve months ended December 31 2025	twelve months ended December 31 2024
Profit before income taxes		1,201,284	1,188,723
Profit or loss adjustments			
Depreciation of the right of use assets	16	485,777	454,163
Depreciation and amortisation of property, plant and equipment and intangible assets	14 , 15	329,321	280,500
Impairment of the right of use assets		-	8,563
Impairment of property, plant and equipment and intangible assets		-	16,193
Financial expenses		6,228	19,441
Interest expenses on lease liabilities		87,764	69,623
Other non-monetary expenses		7,309	54,531
Balance sheet changes			
Other non-current assets and liabilities		(10,856)	(12,112)
Trade receivables		(19,969)	(22,955)
Inventories		(52,146)	(83,546)
Trade payables		86,206	25,699
Other current assets and liabilities		5,560	(54)
Cash flows from operating activities		2,126,478	1,998,769
Interest paid including interest on lease liabilities		(85,884)	(76,600)
Income taxes paid		(386,336)	(270,552)
Net cash flows from operating activities		1,654,258	1,651,617
Purchases of property, plant and equipment and intangible assets		(610,972)	(459,575)
Proceeds from the sale of assets	14 , 15	16,209	-
Proceeds from disposals of equity instruments		-	2,963
Dividends from equity investments		-	111
Acquisition of subsidiaries, net of cash acquired, and equity instruments		(1,222,837)	(1,363)
Acquisition of additional shares from non-controlling interests		-	(4,589)
Net cash flows from investing activities		(1,817,600)	(462,453)
Dividends paid to the owners of Prada S.p.A.	36	(419,647)	(350,559)
Dividends paid to non-controlling interests	30	(250)	(250)
Payment of lease liabilities	19	(452,376)	(438,833)
Loans to related parties		(4,448)	-
Reimbursement of loans to related parties		(8,149)	-
Repayment of current portion of long-term borrowings - third parties		(159,842)	(83,773)
Proceeds from long-term borrowings – third parties		1,216,610	27,994
Change in short-term borrowings – third parties		277,771	(30,049)
Transaction with non-controlling interests		(3,600)	-
Net cash flows from financing activities		446,069	(875,470)
Change in cash and cash equivalents, net of bank overdrafts		282,727	313,694
Foreign exchange rate differences		(32,574)	8,325
Opening cash and cash equivalents, net of bank overdrafts	8	1,011,523	689,503
Closing cash and cash equivalents, net of bank overdrafts	8	1,261,676	1,011,522

The Notes on pages 122 to 183 are an integral part of these consolidated financial statements.

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	Defined benefit plans reserve	Fair Value of equity instruments at OCI reserve	Other reserves	Total other reserves	Profit for the year	EQUITY Equity attributable to the owners of Prada S.p.A.	EQUITY Equity attributable to non-controlling interests	EQUITY Total equity
Balance as of December 31, 2023 (*)	2,558,824,000	**255,882**	**92,998**	410,047	6,296	(10,147)	(8,773)	2,370,413	**2,767,836**	**671,026**	**3,787,742**	**23,014**	**3,810,756**
Allocation of 2023 profit	–	–	–	–	–	–	–	671,026	**671,026**	**(671,026)**	–	–	–
Dividends	–	–	–	–	–	–	–	(350,559)	**(350,559)**	–	**(350,559)**	**(250)**	**(350,809)**
Acquisition of additional shares from non-controlling interests	–	–	–	–	–	–	–	5,295	**5,295**	–	**5,295**	**(9,576)**	**(4,281)**
Monetary revaluation IAS 29	–	–	–	–	–	–	–	13,480	**13,480**	–	**13,480**	–	**13,480**
Other movements	–	–	–	–	–	–	–	(1,768)	**(1,768)**	–	**(1,768)**	**1,768**	–
Comprehensive income / (loss) for the year	–	–	**55,961**	–	(14,360)	833	8,773	(10,992)	**(15,746)**	**838,907**	**879,122**	**5,109**	**884,231**
Balance as of December 31, 2024 (*)	2,558,824,000	**255,882**	**148,959**	410,047	(8,064)	(9,314)	-	2,696,895	**3,089,564**	**838,907**	**4,333,312**	**20,065**	**4,353,377**
Allocation of 2024 profit	–	–	–	–	–	–	–	838,907	**838,907**	**(838,907)**	–	–	–
Dividends	–	–	–	–	–	–	–	(419,647)	**(419,647)**	–	**(419,647)**	**(250)**	**(419,897)**
Acquisition of additional shares from non-controlling interests	–	–	–	–	–	–	–	(3,962)	**(3,962)**	–	**(3,962)**	**324**	**(3,638)**
Monetary revaluation IAS 29	–	–	–	–	–	–	–	10,839	**10,839**	–	**10,839**	–	**10,839**
Comprehensive income / (loss) for the year	–	–	**(145,574)**	–	17,103	222	–	–	**17,325**	**851,936**	**723,687**	**1,399**	**725,086**
Balance as of December 31, 2025	2,558,824,000	**255,882**	**3,385**	410,047	9,039	(9,092)	–	3,123,032	**3,533,026**	**851,936**	**4,644,229**	**21,538**	**4,665,767**

(*) Please refer to Note 2 for additional information

The Notes on pages 122 to 183 are an integral part of these consolidated financial statements.

CHAPTER 8

Prada S.p.A. Separate Financial Statements

Prada S.p.A. Statement of financial position

(amounts in thousands of Euro)	December 31 2025	December 31 2024 (*)
Assets		
Current assets		
Cash and cash equivalents	833,895	601,743
Trade receivables	701,837	760,671
Inventories	440,531	402,034
Derivative financial instruments – current	20,592	12,487
Financial receivables and other receivables due from, and advance payments to, parent, subsidiaries, associates and related parties - current	219,214	168,718
Other current assets	92,661	94,240
Total current assets	2,308,730	2,039,893
Non-current assets		
Property, plant and equipment	974,639	842,589
Goodwill	110,432	110,432
Intangible assets	215,307	182,269
Right of use assets	356,206	356,683
Investments	2,920,036	1,567,469
Deferred tax assets	75,431	79,733
Other non-current assets	49,344	54,323
Derivative financial instruments - non-current	5,761	2,571
Financial receivables and other receivables due from, and advance payments to, parent company, subsidiaries, associates and related parties - non-current	46,560	52,580
Total non-current assets	4,753,716	3,248,649
Total assets	7,062,446	5,288,542
Liabilities and shareholders' equity		
Current liabilities		
Lease liabilities - current	60,548	61,733
Current financial payables and bank overdrafts	434,346	130,842
Financial payables and other payables due to parent company, subsidiaries, associates and related parties - current	175,475	128,666
Trade payables	680,294	655,469
Income tax payables	10,737	61,072
Other taxes payables	32,604	32,774
Derivative financial instruments - current	10,810	27,964
Other current liabilities	338,155	315,646
Total current liabilities	1,742,969	1,414,166
Non-current liabilities		
Lease liabilities - non-current	301,318	309,476
Non-current financial payables	1,210,330	141,968
Long-term employee benefits	48,619	51,274
Provisions for risks and charges	12,710	11,913
Deferred tax liabilities	6,243	2,945
Other non-current liabilities	80,835	89,739
Derivative financial instruments - non-current	371	1,996
Total non-current liabilities	1,660,426	609,311
Total liabilities	3,403,395	2,023,477
Share capital	255,882	255,882
Total other reserves	2,607,576	2,159,476
Profit for the year	795,593	849,707
Total equity	3,659,051	3,265,065
Total liabilities and total equity	7,062,446	5,288,542

(*) Please refer to Note 2 for additional information

Prada S.p.A. Statement of profit or loss for year ended December 31, 2025

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024 (*)
Net revenues	3,042,769	2,976,971
Cost of goods sold	(1,001,037)	(947,952)
Gross margin	2,041,732	2,029,019
Operating expenses	(989,187)	(1,022,279)
Operating income - EBIT	1,052,545	1,006,740
Interest and other financial expenses	(25,550)	(33,630)
Interest and other financial income	29,270	30,187
Impairment of investments	(50,839)	(18,150)
Interest expenses on lease liabilities	(8,262)	(7,228)
Dividends from investments	98,183	170,501
Net financial expenses	42,802	141,680
Profit before taxation	1,095,347	1,148,420
Income taxes	(299,754)	(298,713)
Profit for the year	795,593	849,707

(*) Please refer to Note 2 for additional information

Prada S.p.A. Statement of comprehensive income for the year ended December 31, 2025

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024
Profit for the year	795,593	849,707
A) Items that may be reclassified subsequently to profit or loss:	**17,838**	**(14,647)**
Gains / (losses) on cash flow hedging instruments	23,471	(19,272)
Tax impact	(5,633)	4,625
Change in cash flow hedge reserve, net tax impact	17,838	(14,647)
B) Items that will not be reclassified subsequently to profit or loss:	**202**	**(1,748)**
Change in Fair Value of equity instruments at OCI	-	(2,222)
Tax impact	-	–
Change in Fair Value of equity instruments reserve, net of tax impact	-	(2,222)
Remeasurement of defined benefit plans	441	623
Tax impact	(239)	(149)
Change in defined benefit plans reserve, net of tax impact	202	474
Comprehensive income for the year	813,633	833,312

Prada S.p.A. Statement of cash flows for the year ended December 31, 2025

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024
Profit before income taxes	1,095,347	1,148,420
Profit or loss adjustments		
Depreciation of the right of use assets	61,777	60,109
Depreciation and amortisation of property, plant and equipment and intangible assets	101,107	94,475
Impairment of property, plant and equipment and intangible assets	51	504
Losses / (gains) on disposal of non-current assets	5,765	(643)
Impairment of investments	50,945	19,939
Interest expenses on lease liabilities	8,262	7,228
Non-monetary financial (income) / expenses	(45,164)	(30,099)
Other non-monetary expenses	39,940	29,263
Dividends received from investments	(98,183)	(170,501)
Other non monetary expenses	5,398	83,759
Balance sheet changes		
Trade receivables	55,043	(31,630)
Inventories	(30,752)	(69,507)
Trade payables	21,820	98,246
Other current assets and liabilities	(46,933)	(22,827)
Other non-current assets and liabilities	(15,674)	(10,361)
Cash flows from operating activities	1,208,749	1,206,375
Interest received / (paid) net, including interest paid of lease liabilities	(16,707)	(30,420)
Interest collected, including interest received for lease liabilities	17,747	31,565
Taxes paid	(322,221)	(220,407)
Net cash flows from operating activities	887,568	987,113
Purchase of property, plant and equipment and intangible assets	(258,750)	(133,140)
Disposal of property, plant and equipment	16,651	-
Investments in subsidiaries and associates	(1,376,899)	(123,140)
Financial (investments) / disinvestments	-	2,963
Dividends received from investments	98,183	170,501
Change in intercompany loans	(22,006)	38,148
Reimbursement of loans from subsidiaries	35,020	12,730
(Disbursement) of loans to subsidiaries	(23,197)	(20,062)
Net cash flow utilised by investing activities	(1,530,998)	(52,000)
Dividends paid to shareholders	(419,647)	(350,559)
Change in short-term bank borrowings	300,000	(50,000)
Loans repaid to subsidiaries	-	(13,878)
Payment of lease liabilities	(74,394)	(64,872)
Repayment of short-term portion of long-term loan - third parties	(130,378)	(79,089)
Arrangement of new long-term loan	1,200,000	-
Net cash flows utilised by financing activities	875,581	(558,398)
Change in cash and cash equivalents, net of bank overdrafts	232,151	376,715
Opening cash and cash equivalents, net of bank overdrafts	601,744	225,028
Closing cash and cash equivalents, net of bank overdrafts	833,895	601,743

Prada S.p.A. Statement of changes in equity

(amounts in thousands of Euro, except number of shares)

(amounts in thousands of Euro)	Number of shares	Share Capital	Share premium reserve	Legal reserve	Other reserves	Retained earnings	Cash flow hedge reserve	Fair Value of equity instruments at OCI reserve	Total other reserves	Profit for the year	Total equity
Balance as of December 31, 2023(*)	2,558,824,000	**255,882**	410,047	51,176	182,899	1,319,033	5,306	(8,771)	**1,959,690**	**566,740**	**2,782,312**
Allocation of 2023 profit	–	–	–	–	–	566,740	–	–	**566,740**	**(566,740)**	–
Other movements	–	–	–	–	–	(10,993)	–	10,993	**-**	–	**-**
Dividends	–	–	–	–	–	(350,559)	–	–	**(350,559)**	–	**(350,559)**
Comprehensive income / (loss) for the year	–	–	–	–	–	474	(14,647)	(2,222)	**(16,395)**	**849,707**	**833,312**
Balance as of December 31, 2024(*)	2,558,824,000	**255,882**	410,047	51,176	182,899	1,524,695	(9,341)	-	**2,159,476**	**849,707**	**3,265,065**
Allocation of 2024 profit	-	-	-	-	-	849,707	-	-	**849,707**	**(849,707)**	**-**
Dividends	-	-	-	-	-	(419,647)	-	-	**(419,647)**	**-**	**(419,647)**
Comprehensive income / (loss) for the year	-	-	-	-	-	202	17,838	-	18,040	**795,593**	**813,633**
Balance as of December 31, 2025	2,558,824,000	**255,882**	410,047	51,176	182,899	1,954,957	8,497	-	2,607,576	795,593	3,659,051

(*) Please refer to Note 2 for additional information

CHAPTER 9

Notes to the Consolidated Financial Statements

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 identification number: 1913). The Prada Group is a leading player in the luxury goods industry, where it operates with the Prada, Miu Miu, Versace, Church's and Car Shoe brands producing and distributing leather goods, footwear and ready-to-wear. It also operates in the food sector with 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 25 industrial factories (23 in Italy, 1 in the United Kingdom, and 1 in Romania) and its products are sold in more than 70 countries worldwide mainly through its directly operated stores, which numbered 843 (the contribution of Versace acquisition was 220 stores) as of December 31, 2025. 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 located at Via A. Fogazzaro 28, Milan. As of December 31, 2025 (the reporting date of these Consolidated Financial Statements), 79.98% of the share capital was owned by Prada Holding S.p.A., a company domiciled in Italy, and the remainder consisted of floating shares listed on the Main Board of the Hong Kong Stock Exchange. The ultimate indirect shareholders of Prada Holding S.p.A. are Ms. Miuccia Prada Bianchi and Mr. Patrizio Bertelli.

The Consolidated Financial Statements were approved and authorized for issue by the Board of Directors of Prada S.p.A. on March 5, 2026.

2. Basis of preparation

The Consolidated Financial Statements of the Prada Group as of December 31, 2025, which consist of the "Consolidated Statement of financial position", the "Consolidated Statement of profit or loss for the year ended December 31, 2025", the "Consolidated Statement of comprehensive income for the year ended December 31, 2025", the "Consolidated Statement of cash flows for the year ended December 31, 2025", the "Consolidated Statement of changes in equity" and the "Notes to the Consolidated Financial Statements", have been prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") and endorsed by the EU ("IFRSs").

At the date of presentation of these Consolidated Financial Statements, there were no differences between the IFRS endorsed by the European Union and those issued by the IASB, excluding the standards and 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 Consolidated Financial Statements. Consolidated Statement of profit or loss items are classified by destination of expenses. The Consolidated Statement of cash flows has been prepared with the indirect method. The Consolidated Financial Statements are presented in Euro, the functional currency of Prada S.p.A..
All amounts are expressed in thousand of Euro, unless stated otherwise.

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

The comparative information has been re-presented for the following reasons:
- following the business combination completed during the year (described in Note 6), goodwill previously included within "Intangible assets" has been presented separately in the Consolidated Statement of financial position as of December 31, 2025, with a corresponding reclassification of the balance as of December 31, 2024;

- tax liabilities have been split into two components in the Consolidated Statement of financial position as of December 31, 2025, with a corresponding reclassification of the balance as of December 31, 2024, in order to separately present income tax liabilities from other tax liabilities, as described in Note 23;
- costs related to the design of collections, the launch of advertising campaigns and the organisation of fashion shows were partly recognised as prepayments within "Other current assets". From the current reporting period, these costs are recognised in profit or loss when incurred. The impact on the comparative information is not material;
- total financial expense has been presented as three separate components in the Consolidated Statement of profit or loss as of December 31, 2025: interest and other financial expenses, interest and other financial income, and interest expense on lease liabilities, with the comparative period reclassified accordingly. Dividends from investments, previously disclosed separately, are now included in interest and other financial income.

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, 2025.

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

These amendments had no impact on these Consolidated Financial Statements.

New standards and amendments to existing standards issued by the IASB, endorsed by the European Union, but not yet applicable to the Prada Group because they are effective for annual periods beginning on or after January 1, 2026.

New standards and amendments to existing standards	Effective Date for the Prada Group	EU endorsement dates
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024)	January 1, 2026	May 2025
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024)	January 1, 2026	June 2025
Annual Improvements Volume 11 (issued on 18 July 2024)	January 1, 2026	July 2025
IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)	January 1, 2027	February 2026

New standards and amendments to existing standards issued by the IASB, but not yet endorsed by the European Union as of December 31, 2025.

New standards and amendments to existing standards	Date of possible application	EU endorsement status
IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)	January 1, 2027	Not endorsed yet
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025)	January 1, 2027	Not endorsed yet
Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 21 August 2025)	January 1, 2027	Not endorsed yet

As of the date of these Consolidated Financial Statements, the Directors had not yet completed the analysis to assess the impacts of the new standards and the amendments not yet applicable to the Prada Group.

4. Basis of consolidation

Subsidiaries
The consolidated financial information comprises the accounts of Prada S.p.A. and the Italian and foreign companies over which the Company has the right to exercise control either directly or indirectly. In accordance with IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use that power to affect its returns from the investee.

The companies in which the Group holds more than 50% of the voting rights, or otherwise exercises control, are consolidated using the full consolidation method from the date control is obtained until the date control ceases.
The companies included in the Consolidated Financial Statements are listed in Note 41.

The main consolidation procedures used to prepare the Consolidated Financial Statements are explained below:

- the separate financial statements of Prada S.p.A. and its subsidiaries are prepared in accordance with IFRS and those of its subsidiaries are adjusted, if necessary, to comply with IFRS and with the standards applied throughout the Group. The financial information used to prepare the consolidated financial statements have all the same reporting date;

- the financial statements of subsidiaries are consolidated using the full consolidation method, incorporating the entire amount of the assets, liabilities, revenues and expenses of each company irrespective of the percentage of ownership held, and eliminating the carrying amount of the investment owned directly or indirectly by the Company against the corresponding portion of the equity;

- for fully consolidated companies that are not wholly owned by the parent, the portion of the equity and profit or loss of the year belonging to third parties are shown separately as "Equity attributable to non-controlling interests" in the Consolidated Statement of financial position and "Profit for the year attributable to non-controlling interests" in the Consolidated Statement of profit or loss;

- for business combinations, at the date of the acquisition of the control of the business, the fair value of the consideration transferred, plus the fair value of any contingent consideration (e.g. earn-out) and the value of any non-controlling interest (see below for more detail) is compared to the identifiable assets acquired and liabilities assumed measured at their fair value. Any residual amount, if positive, is recognised as goodwill that is tested annually for impairment, or if negative is recognised immediately as a gain on bargain purchase in the Consolidated Statement of profit or loss. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities;

- non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions;

- if the business combination is achieved in stages (a step acquisition), the previous held interest owned in the company acquired is remeasured at fair value at the date on which control is acquired. Differences identified in this manner are recognised in the Consolidated Statement of profit or loss. In business combinations under common control, the difference between the purchase price and the corresponding portion of equity is recognised directly in equity;

- the acquisition cost of a group of assets that does not constitute a business, and which therefore does not originate a business combination, is allocated to the individual assets acquired and liabilities assumed, measured at their fair value at the acquisition date;

- all payables, receivables, expenses and revenues deriving from transactions between the consolidated companies are eliminated. Any unrealized profits and losses deriving from transactions between the Group's consolidated companies and included in the inventory valuation at the reporting date are eliminated. Unrealized losses are eliminated except when the transaction provides evidence of impairment of the asset transferred, in which case

the value of the transferred asset is written down;

- dividends distributed by the consolidated companies are eliminated from the Consolidated Statement of profit or loss and added to the retained earnings if and to the extent that they were extracted from them;

- the financial statements of subsidiaries are prepared in their respective local currency. Assets and liabilities are translated into Euro using the end-of-period exchange rate, and income and expenses are translated using the average exchange rate of the period. If translation at the average exchange rate does not present the transaction fairly, the exchange rate prevailing at the date of the transaction is used to translate its effect on the Consolidated Statement of profit or loss. Differences arising on translating Statement of financial position balances at the beginning and at the end of the period, and differences arising on translating Statement of profit or loss items at the average exchange rate for the period (or another exchange rate, as mentioned above) and at the end of the period, are recognised in a translation reserve in consolidated equity until the disposal of the investee. The translation reserve includes the accumulated translation differences generated since first-time consolidation (January 1, 2004). In the preparation of the Consolidated Statement of cash flows, the cash flows of subsidiaries are translated using the average exchange rate for the period.

Associates
Associates, which are accounted for under equity method, are companies in which the Group has significant influence but does not exercise control or joint control over the financial and operating policies.
Under such method, the investments in associates are recognised in the Consolidated Statement of financial position at cost, subsequently adjusted to reflect post-acquisition changes and any impairment losses. Losses exceeding the Parent's owners' interest in the associate are not recognised, unless the Group has taken on an obligation to cover such losses. An excess of the cost of acquisition over the Company's share of the fair value of the assets acquired and liabilities assumed at the acquisition date is included in the carrying amount of the investment and is tested for impairment.

5. Other material accounting policies

Cash and cash equivalents
Cash and cash equivalents are recognised at nominal value and include highly liquid investments with short-term maturities.
Cash and cash equivalents comprise cash on hand, bank accounts, deposit accounts and credit cards. Bank overdrafts and current portions of medium- and long-term loans due to banks are presented in the Statement of financial position as current financial liabilities and bank overdrafts.

Trade receivables and payables
Trade receivables are recognised at nominal value, net of the bad debt provision determined in accordance with IFRS 9. In line with this standard, receivables are impaired using the "expected credit loss" model and, where necessary, additional write-downs are recognised based on specific credit risk assessments of individual positions.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost. Interest expense and foreign exchange gains and losses are recognised in profit or loss, as are any gains or losses on derecognition.
Transactions denominated in foreign currencies are recorded at the exchange rate at the transaction date. At the reporting date, monetary items denominated in foreign currencies are translated at the closing exchange rate.

Inventories
Raw materials, work in progress and finished products are measured at the lower of the acquisition or production cost and the net realizable value. Cost comprises direct production costs and those indirect that have been incurred in bringing the inventories to their present location and condition. Acquisition or production cost is determined by the weighted average cost method.
Provisions, adjusting the value of the inventories, are made for slow moving, obsolete inventories or if, at the reporting date, the estimated net realizable value is reasonably expected to be lower than the cost.

Property, plant and equipment

Property, plant and equipment are initially recognised at purchase cost or construction cost, including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequently, they are shown net of accumulated depreciation, calculated on the basis of the useful lives of the assets and net of any impairment losses, calculated as described in the paragraph "Impairment test on non-financial assets" in the current section.

Ordinary maintenance expenses are charged in full to the profit or loss for the year they are incurred. Extraordinary maintenance expenses are capitalized if they increase the value or the useful life of the related asset.

The costs included under leasehold improvements relate to refurbishment works carried out on leased premises, mainly commercial.

Depreciation methods, useful lives and any residual value are reviewed annually. The depreciation rates representing useful lives are listed below:

Category of property, plant and equipment	Depreciation rate or period
Land	not depreciated
Buildings and construction	2.5% - 10%
Production facilities and equipment	4% - 25%
Improvements to leased premises	Shorter of lease term (*) and useful life
Furniture and fixture in leased retail premises	Shorter of lease term (*) and useful life
Furniture and fixture in corporate and industrial	7% - 20%
Other tangible fixed assets	4% - 50%
Assets under construction	0%

(*) the lease term includes the renewal period when the exercise of the option is deemed reasonably certain

When assets are sold or disposed of, their net book values are derecognized and any gains or losses are recognised in the profit or loss.

If the term of a lease agreement is terminated in advance, the useful life of non-current assets related to such premise is adjusted consistently.

The value of land is stated separately from the value of buildings. Depreciation is only charged on the value of buildings.

Intangible assets

Intangible assets include principally trademarks, licenses, software and development costs.

Trademarks are recognised at cost or at the value attributed upon acquisition and include the cost of trademark registration in the various countries in which the Group operates. The Directors estimate a useful life of between 20 and 40 years for trademarks, assuming there are no risks or limitations on control over their use. The useful life of trademark registration costs is estimated to be 10 years. The caption trademark also includes other intellectual property rights which useful life is determinated in accordance with the relevant contracts.

Store lease acquisition costs (or key money) represent expenditures incurred to enter into or take over retail store lease agreements. When the lease contracts fall under the application of IFRS 16 Leases, the store lease acquisition is included within the initial direct costs that contribute to the formation of the right of use assets. Otherwise, the store lease acquisition is an intangible assets.

Intangible assets are measured at cost less impairment losses (see paragraph "Impairment test of non-financial assets" of the current section) and are amortised on a straight-line basis at the following rates:

Category of intangible assets	Amortisation rate or period
Trademarks and other intellectual property rights	2.5% - 25%
Store lease acquisition costs	Shorter of lease term (*) and useful life
Software	10% - 33%
Development costs and other intangible assets	10% - 33%
Assets in progress	0%

(*) the lease term includes the renewal period when the exercise of the option is deemed reasonably certain

Leases as a lessee (right of use assets and lease liabilities)

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right of use assets and lease liabilities are regulated by IFRS 16 Leases which apply to all lease contracts that provide for the payment of fixed rents, including those indexed and those that set a guaranteed minimum.

The Group recognises the right of use assets and the lease liabilities at the commencement date of the lease based on the lease term.

The identification of a lease term is very important, especially in the field of real estate, because the form, legislation and common business practices can vary considerably from one jurisdiction to another. The Group determines the lease term as the non-cancellable period of a lease, together with the periods covered by an option to extend or to terminate the lease under the control of the Group. The management evaluates the exercise of the option if it's considered "reasonably certain" based on several factors and circumstances that create an incentive for the Group to exercise, or not to exercise the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option.

The lease term begins on the 'commencement date' of the lease. This is defined as the date on which the lessor makes an underlying asset available for use by a lessee. It is the date on which the lessee initially recognises and measures right of use assets and lease liabilities.

For retail premises, the asset leased is ready for use when works necessary to bring a store to its working condition are completed according to the management instructions.

The right of use assets are measured at cost, identified as the initial measurement of the lease liabilities, increased by any initial direct costs incurred by the lessee (key money, legal fees, agent fees or other incremental costs incurred to conclude the contract) or by any restoration cost necessary to bring back the premises to its original condition.

The lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date. Since most leases stipulated by the Group do not have an interest rate implicit in the lease, the lease payments are discounted using the Group's incremental borrowing rate, that is determined as the risk-free rate of each contract currency in which the leases are stipulated, with payment dates based on the terms of the specific lease, increased by the parent's credit spread.

A lease modification occurs when there is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term). The effective date of the modification is defined as "the date when both parties agree to a lease modification". When this occurs, the right of use assets and the lease liabilities are updated accordingly. If a lease is terminated before the original lease term date defined at the commencement date, both the right of use assets and the lease liabilities are remeasured, impacting also the profit or loss statement.

In addition, the options for the extension and early termination of the lease agreements are re-evaluated when a significant event or a change occurs in the circumstances that are under the control of the Group and this will influence the assessment of the reasonable certainty of the exercise options.

The Group has elected not to recognize right of use assets and lease liabilities for leases of low value assets (when the price of the leased asset, new and recognised on a single-component basis approach, is less than Euro 5,000) and leases whose lease term is shorter than 12 months. The lease payments associated with these leases are recognised through profit or loss on a straight-line basis over the lease term.

Purely variable rents, typically linked to sales without a minimum guaranteed, are also recognized in the statement of profit and loss in the period in which the condition that triggers those payments occurs.

The right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses as described in the paragraph "Impairment test of non-financial assets" in the current section.

Impairment test of non financial assets (e.g. property, plant and equipment, intangible assets, right of use assets and goodwill)

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest groups of assets that generate cash inflows from

continuing use that are largely independent of other assets or group of assets ("CGUs"). CGUs are determined based on the organisational structure of the Group.
Goodwill acquired in a business combination is allocated to the cash generating units ("CGU") or group of CGUs that are expected to benefit from the synergies of the combination and is tested annually for impairment or whenever there is an indication of impairment.
If changes in the composition of one or more cash-generating units to which goodwill has been allocated occur, the goodwill is reallocated to the units affected.
The carrying amount of the CGUs and group of CGUs tested for impairment is represented by the net invested capital, which means the net equity adjusted by the net financial position including the lease liabilities.
Recoverable amount of asset or CGU is the higher of fair value less costs of disposal and value in use, as calculated based on an estimate of the future cash flows expected to derive from the cash generating unit tested for impairment. Estimated cash flow is based on budget, forecast and on long-term projections approved by the management. A long-term growth rate is calculated and applied to project future cash flows. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate post-tax that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.
An impairment loss is recognised in the profit or loss for the period whenever the recoverable amount of the asset, CGU or group of CGU is lower than its carrying amount.
The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.
An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the top management. The only reportable segment identified, as in previous years, corresponds to the entire Prada Group.
Further details can be found in Note 7 "Operating segments".

Investments in equity instruments
The initial recognition of investments in equity instruments (previously "available for sale") is at purchase cost, increased by any directly attributable transaction costs. The Group evaluates these instruments at fair value and the related changes are recognised in a specific equity reserve. This change (Fair Value through Other Comprehensive Income) is also included in the statement of comprehensive income as "items not recyclable to profit or loss", therefore only dividends received will be recorded in the statement of profit or loss of the Group. IFRS 9 also provides for an alternative treatment that allows the recognition of fair value changes directly to profit or loss (Fair Value Through Profit or Loss). The choice of this accounting treatment (FVTPL or FVOCI) has to be done for each investment and has to be considered irrevocable once adopted. Any exceptions to the initial recognition will be reported in the Notes to the Consolidated Financial Statements.
In the case of equity instruments listed on active markets, the fair value is the price recorded at the end of the trading day of the period under review. For investments for which there is no an active market, the fair value is determined based on the price of recent transactions between independent parts of substantially similar instruments, or by using other valuation techniques such as, for example, income assessments or based on flow analysis discounted financial figures.

Derivative financial instruments
Derivative financial instruments that hedge interest rate risk and exchange rate risk exposure are recognised at fair value based on hedge accounting rules.
According to these rules, within the framework of IFRS 9, future cash flow hedging contracts such as those listed above are qualified as cash flow hedges. Hedge accounting treatment is allowed if derivative financial instruments are designated as a hedge of the exposure to changes in future cash flows of a recognised asset or liability or a highly probable transaction which could affect profit or loss. In this case, the change in fair value of the hedging instrument is recognised in shareholders' equity. Accumulated gains or losses are reversed from shareholders' equity and recognised in profit or loss for the period in which the profit or loss effect of the hedged operation is recognised.
Any gain or loss on a hedging instrument (or portion thereof) which is no longer effective as a cash flow hedge is

immediately recognised in profit or loss. If the hedged transaction is no longer expected to take place, any related cumulative gain or loss outstanding in equity will be recognised in the profit or loss.

Non-current financial liabilities

Non-current financial liabilities include amounts due to banks for medium- and long-term loans.

Non-current financial liabilities are initially recognised at fair value on the transaction date less transaction costs which are directly attributable to the acquisition. After initial recognition, non-current financial liabilities are valued at amortised cost, which means at the initial amount less principal repayments already made, plus or minus the amortisation (using the effective interest method) of any difference between that initial amount and the maturity amount.

Employee benefits

Defined benefit plans are recognised using actuarial techniques to estimate the amount of the obligations resulting from employee service in the current and past periods and discounting it to determine the present value of the Group's obligations.

The present value of the obligations is determined by an independent actuary using the Projected Unit Credit Method. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI, net of the tax effect.

The Group's net obligation in respect of other long-term employee benefits is classified among non-current liabilities and is measured at the present value of the future benefit that employees have earned in return for their service in the current and prior periods. The recognition of these benefits is usually subject to the attainment of specific earnings by the Group, and their payment, deferred over time to keep the beneficiaries in the organisation, is remeasured using indices relating to the Group's profitability or market value. Like defined benefit plans, other long-term benefits are also valued using the Projected Unit Credit Method but the remeasurements are recognized in profit or loss in the period in which they arise.

Long-term employee benefits in the form of share-based payments ("phantom shares") are settled in cash. The fair value of the amount payable to employees in respect of "phantom shares" is recognised as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the "phantom shares". Any changes in the liability are recognised in profit or loss. The estimation of the fair value follows a risk neutral approach. In the model, the risk-free rate curve is derived from the Euro area rates at the measurement date; in addition, the expected dividend rate of the underlying was taken into account.

Provisions for risks and charges

The Prada Group is mainly involved in civil and tax disputes and the related provisions for risks and charges are booked in the financial statements both on the basis of historical experience and on the basis of assumptions concerning future events that are difficult to predict as they also depend on factors that are not under the full control of the Group. Therefore it is possible that after the reporting period, differences between the estimates made and the actual results materialise so that it might be necessary to make adjustments to the values of the liabilities recognised. Application of exemptions to some or all the disclosures required by IAS 37 are applied when these could prejudice seriously the position the Group in a dispute with other parties on the subject matter of the provision, contingent liability or contingent asset.

Accounting in hyperinflationary economies

Non-monetary assets and liabilities and profits and losses of entities whose functional currency is the currency of a hyperinflationary economy are restated to reflect the changes in the general pricing power of their functional currency, in accordance with IAS 29, by applying the change in the general price index between the date those items were acquired or incurred and the end of the reporting period.

Therefore, for non-monetary items recognised at their historical cost, the opening Statement of financial position is restated to reflect the effect of inflation from the date on which the assets were acquired and the liabilities were incurred or assumed to the date of the previous year closing Statement of financial position. This effect is recognised in equity.

Afterward, all the corresponding restated data in the subsequent financial statements and the Statement of profit or

loss items are restated by applying the change in the general price index for the current reporting period, thereby generating a gain or loss, charged to the income statement in a specific item called "net monetary position gain or loss".
Moreover, IAS 21 states that the financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy must be translated into a different presentation currency, i.e., all the amounts (assets, liabilities, items of equity, income and expenses) must be translated at the closing rate of the reporting period, except for comparative amounts that are translated into a currency of a non-hyperinflationary economy.

Since June 30, 2022, the Turkish economy has been considered hyperinflationary according to the definition and criteria set out in "IAS 29 - Financial Reporting in Hyperinflationary Economies" as inflation in Turkey has risen exponentially, with a cumulative inflation rate over three years that exceeds 100%.

	Dec 31, 2021	June 30, 2022	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2025
Three-year cumulative CPI*	74.4%	136.4%	156.2%	268.3%	290.8%	211.4%

* source: Turkish Statistical Institute

Revenue from contracts with customers
Revenues from the sale of goods are recognised in the profit or loss when all of the following criteria have been satisfied:
- identification of the contract (in writing, orally or in accordance with other customary business practices) with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction selling price for each performance obligations;
- the amount of revenue (transaction selling price) can be measured reliably;
- the significant risks and rewards of ownership are transferred to the buyer;
- all control over the goods sold has ceased;
- the economic benefits generated by the transaction will probably be enjoyed by the Group;
- the costs pertaining to the transaction can be reliably measured;
- each performance obligation has been satisfied.

Royalties are accounted for based on sales made by the licensees and the terms of the contracts.

Costs are recognised on an accruals basis. In particular, a cost is immediately recognised in the profit or loss when:
- an expense does not generate any future economic benefit;
- the future economic benefits do not qualify or cease to qualify as assets for recognition in the statement of financial position;
- a liability is incurred and no asset has been recognised.

Pre-opening costs
Costs incurred during the pre-opening period of new or refurbished retail stores are charged to profit or loss when incurred.

Current and deferred income taxes
Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the year and any adjustment to the tax liabilities or assets in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.
Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.
Deductible temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax value which, in determining taxable income for future years, will result in deductible

amounts when the carrying amount of the asset or liability is realized or settled. Deferred tax assets recoverability is reviewed at each reporting period.

Deferred tax liabilities are amounts of income taxes due in future periods in respect of taxable temporary differences. Deferred tax liabilities are recognised for all taxable timing differences except when the liability is generated by the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that does not affect the accounting result or the tax result at the transaction date.
Deferred taxes are measured at the tax rates which are expected to apply to the period when the asset is realized or when the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred taxes are recognised through profit or loss unless the tax is generated by a transaction or an event directly recognised in equity or from a business combination.
Deferred taxes are not discounted.

Tax period 2025 represents the second year of application of the Global Minimum Tax, introduced by Pillar II Directive No. 2022/2523, aimed at ensuring a minimum level of taxation for each OECD jurisdiction (in Italy, Pillar II became effective as from January 1, 2024 pursuant to Italian Legislative Decree No. 209 of December 27, 2023).
Given the complexity of the system introduced by the above-mentioned legislation, a simplified regime (the so-called "Transitional Safe Harbours") has been introduced for the first three tax periods: for the Prada Group, financial years 2024, 2025 and 2026.
This simplified regime is mainly based on accounting information already available for each jurisdiction and on the application of three tests (De Minimis test, Simplified Effective Tax Rate test and Routine Profits test). If at least one of these tests is met, no additional top-up tax is calculated to reach the minimum tax level in each jurisdiction, and compliance obligations are reduced.
Based on the once out, always out rule, a jurisdiction that failed to qualify for any safe harbour test in 2024 cannot benefit from any of the Transitional Safe Harbours neither in 2025 nor in 2026.
The top-up tax recognized in the caption "Income taxes" as of December 31, 2025, is referred to the Group jurisdictions that didn't pass any of the transitional safe harbour tests in 2024 and the new ones that do not pass any of the transitional safe harbour test in 2025.
In all Group jurisdictions failing Transitional Safe Harbours tests, the Qualified Domestic Minimum top-up tax (QDMTT) rules have been implemented in the course of 2025. Therefore, on December 31, 2025, the best estimate of local QDMTT has been carried out based on the information known or reasonably estimable to date and Pillar II taxes have been recorded at involved subsidiaries level (rather than at ultimate parent entity level).
The Group has applied the temporary mandatory relief, introduced in May 2023 by IASB with the "Amendments to IAS 12 Income taxes: International Tax Reform – Pillar II Model Rules", regarding the accounting requirements for deferred taxes under IAS 12 and accounts for the Pillar II taxes as current taxes when incurred. The relief is also applied to the enacted or substantively enacted domestic minimum top up taxes that are expected to be incurred under the Pillar II rules.

Earnings or losses per share
Earnings or losses per share are calculated by dividing the profit or loss attributable to the parent by the weighted average number of ordinary shares in issue. There are no dilutive potential ordinary shares and consequently basic earning per share is equal to diluted earning per share.

Changes in accounting policies, errors and changes of estimates
The accounting policies adopted change from one year to the next only if the change is required by an accounting standard or if it helps provide more reliable and meaningful information on the impact of operations on the entity's statement of financial position, profit or loss or cash flows.
Changes in accounting policy are accounted for retroactively with the effect allocated to the opening equity of the earliest of the periods presented. The other comparative amounts reported for each prior period are also adjusted as if the new policy had been applied from the outset. A prospective approach is adopted only when it would be impracticable to restate the comparative information.
The application of a new or amended accounting standard is accounted for as requested by the standard itself. If the standard does not regulate the transition method, the change is accounted for on a retroactive basis or, if impracticable,

on a prospective basis.
Material errors are treated on the same basis as changes of accounting policy as described above.
Changes in accounting estimates are accounted for prospectively in the profit or loss for the year in which the change is made if it only affects the profit or loss for that year, or in the profit or loss for the year in which the change is made and in subsequent periods if they are also affected by the change.

Use of estimates
In accordance with IFRS, preparation of these consolidated financial statements requires the use of estimates and assumptions when determining certain types of assets, liabilities, revenues and costs and when assessing contingent assets and liabilities.
These assumptions refer, first of all, to operations and events not settled at the end of the period. Therefore, upon payment, the actual outcome may differ from the estimated amounts. Estimates and assumptions are reviewed periodically and the effects of each change are immediately recognised in profit or loss.
Significant estimates are used mainly for impairment tests, when determining the provisions for risks and bad debts, the inventory obsolescence provision, the post-employment benefits, the share-based plans, the tax computation, the measurement of derivatives, the lease term of contracts with renewal or early termination options (in accordance with IFRS 16) and the useful life of property, plant and equipment and intangible assets.

Impact of climate change-related matters on financial statements
The Group has defined a climate strategy aimed at reducing greenhouse gases (GHG) emissions and contributing positively to the global effort to fight climate change. This strategy is fully integrated into the Group's business model and operations and includes medium-term carbon reduction targets covering direct GHG emissions (Scope 1), indirect GHG energy emissions (Scope 2), and other indirect GHG emissions from sources not owned or controlled by the Group (Scope 3).
The main actions currently underway to achieve the Scope 1, 2 and 3 targets include the following:
- electrification of heating and cooling systems at industrial sites;
- transition to a low-emission and green company car fleet;
- increase in self-produced energy through owned photovoltaic systems;
- increase in the number of buildings achiving LEED Gold or Platinum certification;
- implementation of a raw materials transition plan towards lower impact alternatives.

The above actions have had, and are expected to continue to have, an impact on the Group's Consolidated Financial Statements in terms of both investments and recurring operating costs (e.g. the purchase of certified renewable energy and lower-impact raw materials).
In addition, to align the performance of the Group's key personnel with stakeholders' interests and to reinforce the Group's commitment to ESG matters, the Group has implemented a long-term variable incentive plan that incorporates both financial performance indicators and the achievement of predefined sustainability objectives. The attainment of these criteria has been taken into account in the assessement of the long-term incentive plans.
Finally, the Group has financing facilities and credit lines linked to the achievement of sustainability-related targets.
At this stage, management has assessed that the impact on the Group's financial statements is not material as no specific asset or liability have been identified whose measurement could be significantly affected by climate-change related issues.

Impact of the outbreak of war in Ukraine on financial statements
The effects of the ongoing conflict have been considered in the preparation of the financial statements as of December 31, 2025. The only notable impact on the preparation of the financial statements is the valuation of the assets held in Russia and Ukraine and in particular the right of use assets related to the lease agreements still in place in the two countries and two buildings owned in Moscow and St. Petersburg (net book value as of December 31, 2025 is Euro 17.9 million).
Consistently with last year, the right of use assets have been entirely written-down while the recoverable amount of the buildings has been assessed with the support of leading independent real estate firm, based on the fair value using the Comparative Method of valuation. The writedown recorded in the current fiscal year is equal to Euro 0.2 million.
The management will continue to closely monitor the evolution of the business and legal scenario to ensure the appropriate valuation of the assets recognised in the consolidated financial statements of the Group and to abide by the law and regulations being imposed.

6. Mergers and acquisitions

Most significant mergers and acquisitions include:

On June 5, 2025, the Prada Group announced a 10% equity investment in Rino Mastrotto Group, a global provider of leather, textile and bespoke services for the luxury industry, strengthening its position over a highly strategic phase of the production process. The transaction entailed a contribution in cash and a contribution in kind of 100% of Conceria Superior S.p.A. – following the acquisition of full ownership – and Tannerie Limoges S.a.s..

Versace
On December 2, 2025, the Prada Group completed the acquisition of 100% of the share capital of Versace, one of the leading international fashion design houses and epitome of Italian luxury worldwide, from Capri Holding for USD 1,395 million paid in cash, subject to final purchase price adjustment expected to occur in 2026.
Building on a remarkable brand awareness, Versace stands as a distinctive asset in the luxury landscape. Deeply rooted in the history of fashion, the brand displays strong potential to read contemporaneity and marked sensibility in capturing and anticipating the spirit of today's and future society.
With its highly recognizable aesthetic, the brand constitutes a strongly complementary addition to the Prada Group's brands portfolio and displays significant untapped growth potential leveraging multiple value creation levers. Within the Prada Group, Versace will maintain its creative DNA and cultural authenticity, while benefitting from the full strength of the Group's consolidated platform, including industrial capabilities, retail execution and operational expertise.

If the parent acquired Versace on January 1, 2025, its contribution to the revenue of Group would have been Euro 684.4 million.

As of December 31, 2025, all lease contracts were remeasured as if they were new leases originated at the acquisition date. Lease liabilities were determined as the present value of the remaining lease payments, discounted using the incremental borrowing rate (IBR) at the acquisition date. The corresponding right of use assets were recognized in an amount equal to the lease liabilities. Any adjustments to the right of use assets to reflect favorable or unfavorable market terms will be recognized as part of the purchase price allocation to be finalized in 2026.

The provisional goodwill recognised from the acquisition, amounting to Euro 1,002.4 million, may be subject to significant adjustments during the purchase price allocation period. This goodwill is not deductible for tax purposes.

Versace Group - Opening statement of financial position

(amounts in thousands of Euro)	December 2 2025
Assets	
Current assets	
Cash and cash equivalents	55,411
Trade receivables	56,352
Inventories	176,035
Other current assets	36,261
Total current assets	324,059
Non-current assets	
Property, plant and equipment	73,408
Intangible assets	7,159
Right of use assets	486,813
Deferred tax assets	11,436
Other non-current assets	33,629
Total non-current assets	612,445
Total assets	936,504
Liabilities and equity	
Current liabilities	
Lease liabilities – current	84,474
Trade payables	72,718
Other current liabilities	92,646
Total current liabilities	249,838
Non-current liabilities	
Lease liabilities - non-current	406,780
Non-current financial liabilities	9,000
Provisions for risks and charges	14,086
Deferred tax liabilities	4,490
Other non-current liabilities	1,358
Total non-current liabilities	435,714
Total liabilities	685,552
Net assets acquired	250,952

Versace Group – Consideration paid

(amounts in thousands of Euro)	December 2 2025
Purchase price	1,197,646
Hedging effect	55,701
Consideration paid	1,253,347
Net cash acquired	55,411
Cash out as per Statement of cash flow	1,197,936

Versace Group – Provisional goodwill

(amounts in thousands of Euro)	December 2 2025
Net assets acquired	250,952
Consideration paid	1,253,347
Provisional goodwill	1,002,395

7. 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.
It should be noted that the three main brands, Prada, Miu Miu and Versace, have similar economic and business profile and they represent together 99% of the Group's revenue. The other brands, which represent the remaining 1% of the Group's revenue, have been considered as not material.

The main economic indicators assessed to determine that the operating segments, Prada, Miu Miu and Versace, have similar economic characteristics are:
- long-term financial performance (in particular, average gross margin)
- currency, competitive, operating and financial risks.

Moreover, Prada, Miu Miu and Versace present products of similar nature, similar production processes and customers and the same distribution channels.
Therefore, as of December 31, 2025, only one reportable segment has been identified like in previous years.

Net sales

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

(amounts in thousands of Euro)	twelve months ended December 31 2025		twelve months ended December 31 2024		% change current exc. rates	% change constant exc. rates (*)	% organic change constant exc. rates (**)
Net revenues							
Retail net sales (Directly Operated Stores and e-commerce)	5,101,790	89.2%	4,849,208	89.3%	5.2%	9.3%	8.2%
Wholesale net sales (independent customers and franchisees)	470,722	8.2%	460,818	8.5%	2.1%	4.3%	2.6%
Royalties	145,009	2.5%	121,531	2.2%	19.3%	19.3%	14.2%
Total net revenues	5,717,521	100%	5,431,557	100%	5.3%	9.1%	7.8%
Retail net sales by brand							
Prada	3,392,861	66.5%	3,563,376	73.5%	-4.8%	-1.0%	-1.0%
Miu Miu	1,594,581	31.3%	1,228,053	25.3%	29.8%	34.8%	34.8%
Versace (***)	51,343	1.0%	-	-	-	-	-
Church's	33,688	0.7%	31,659	0.7%	6.4%	7.1%	7.1%
Other	29,317	0.6%	26,120	0.5%	12.2%	12.7%	12.7%
Total retail net sales	5,101,790	100%	4,849,208	100%	5.2%	9.3%	8.2%
Retail net sales by geographic area							
Asia Pacific	1,699,448	33.3%	1,604,413	33.1%	5.9%	10.9%	10.0%
Europe	1,562,797	30.6%	1,531,622	31.6%	2.0%	4.7%	3.9%
Americas	932,047	18.3%	829,809	17.1%	12.3%	17.7%	15.0%
Japan	656,101	12.9%	656,431	13.5%	-0.1%	3.1%	2.8%
Middle East	251,397	4.9%	226,933	4.7%	10.8%	15.5%	15.5%
Total retail net sales	5,101,790	100%	4,849,208	100%	5.2%	9.3%	8.2%

(*) calculated by applying 2024 exchange rates to 2025 figures, excluding the effect of the hyperinflation in Turkey

(**) calculated at constant exchange rates, excluding the contribution of Versace

(***) consolidated from December 2, 2025

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)	December 31 2025	December 31 2024
Europe	4,776,207	3,191,693
Americas	1,335,053	1,092,143
Asia Pacific	1,048,776	846,836
Japan	284,004	298,067
Middle East and Africa	124,792	148,068
Total	7,568,832	5,576,807

The total amount of Euro 7,569 million (Euro 5,577 million as of December 31, 2024) 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. The Versace acquisition contributed Euro 1,594 million to non-current assets as of December 31, 2025, including provisional goodwill of Euro 1,002.4 million.

Consolidated Statement of Financial Position

8. Cash and cash equivalents

Cash and cash equivalents are detailed as follows:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Cash on hand	4,778	3,634
Bank current accounts	229,136	213,236
Bank deposit accounts	980,352	734,858
Other cash equivalents	47,410	59,835
Total	1,261,676	1,011,563

As of December 31, 2025, bank accounts and deposits accruing interest income generated annual yields ranging between 0% and 3.84% (0% and 5.95% as of December 31, 2024). These ranges exclude bank accounts and deposits denominated in Turkish lira and Russian rouble, which generated significantly higher yields due to high inflation but were not material in amount.
For bank deposits, the average yield was 2.41% as of December 31, 2025, compared with 3.70% as of December 31, 2024.

9. Trade receivables

The trade receivables are detailed below:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Trade receivables - third parties	498,803	435,403
Allowance for bad and doubtful debts	(34,548)	(14,062)
Trade receivables - related parties	4,211	2,392
Total	468,466	423,733

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

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Opening balance	14,062	11,341
Change in the consolidation scope	12,124	-
Exchange differences	(633)	150
Increases	12,522	4,277
Reversals	(3,093)	(932)
Utilization	(434)	(774)
Closing balance	34,548	14,062

Information on the Group's exposure to credit risk is provided in Note 11.

10. Inventories

Inventories can be broken down as follows:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Raw materials	148,581	132,455
Work in progress	59,237	45,893
Finished products	1,020,172	799,772
Return assets	24,176	16,862
Allowance for obsolete and slow-moving inventories	(193,124)	(128,822)
Total	1,059,042	866,160

The increase in inventories mainly reflected the impact of the Versace acquisition (Euro 169.8 million).

In 2025, the change in the inventory allowance amounted to Euro 66.0 million, net of exchange rate differences, primarily due to the contribution of the Versace acquisition (Euro 71.5 million). Movements in the allowance for obsolete and slow-moving inventories during 2025 were as follows:

(amounts in thousands of Euro)	Raw materials	Finished products	Total allowance for obsolete and slow-moving inventories
Opening balance	45,833	82,989	128,822
Change in the consolidation scope	10,006	61,501	71,507
Exchange differences	(10)	(1,676)	(1,686)
Increases	1,743	38,924	40,667
Utilisation	(5,373)	(15,681)	(21,054)
Reversal	(6)	(25,126)	(25,132)
Closing balance	52,193	140,931	193,124

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

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

11. Derivative financial instruments: assets and liabilities

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

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Financial assets regarding derivative instruments - current	20,592	12,487
Financial assets regarding derivative instruments - non-current	5,761	2,571
Total financial assets - derivative financial instruments	26,353	15,058
Financial liabilities regarding derivative instruments – current	(10,475)	(27,778)
Financial liabilities regarding derivative instruments – non-current	-	(399)
Total financial liabilities - derivative financial instruments	(10,475)	(28,177)

The carrying amount of derivatives, considering both the current and non-current portions, is as follows:

(amounts in thousands of Euro)	December 31 2025	December 31 2024	IFRS7 Category
Forward contracts	15,262	9,844	Level II
Options	4,976	2,658	Level II
Interest rate swaps	6,115	2,556	Level II
Derivative financial instruments with positive fair value	26,353	15,058	
Forward contracts	(7,671)	(24,472)	Level II
Options	(562)	(3,705)	Level II
Interest rate swaps	(2,242)	-	Level II
Derivative financial instruments with negative fair value	(10,475)	(28,177)	

The fair value of all the above derivative instruments was classified as Level II in the fair value hierarchy.
The fair value of derivatives used to hedge interest rate risk (interest rate swaps or "IRS") and foreign exchange risk (forward contracts and options) was determined using market-standard valuation techniques based on interest rate curves and spot and forward exchange rates at the reporting date.

The Group uses derivative instruments solely for hedging purposes to manage risks to foreign exchange rate and interest rate fluctuations. Interest rate risk is further mitigated by balancing floating-rate borrowings with floating-rate liquidity investments.

Foreign exchange rate transactions
The Group's cash flows are exposed to foreign exchange rate volatility due to its international operations. To manage this risk, the Group enters into forward contracts and options to hedge identified cash flows, including intercompany transactions, in Euro (and other local currencies).

The notional amounts of derivative contracts designated as foreign exchange risk hedges, translated at the exchange rates as of December 31, 2025 (see Note 37), are presented below.

Notional amounts of derivative financial instruments outstanding as of December 31, 2025, designated to hedge forecast future cash flows relating to trade receivables and payables denominated in foreign currencies:

(amounts in thousands of Euro)	Options	Forward sale contracts	December 31 2025
Currency			
US Dollar	131,872	259,319	391,191
Chinese Renminbi	133,634	227,736	361,370
Japanese Yen	121,462	127,226	248,688
Korean Won	49,147	125,514	174,661
GB Pound	32,776	59,019	91,795
Hong Kong Dollar	13,350	30,504	43,854
Swiss Franc	-	28,989	28,989
Canadian Dollar	-	27,225	27,225
Taiwan Dollar	-	22,907	22,907
Malaysian Ringgit	-	10,444	10,444
Other currencies	-	158,167	158,167
Total	482,241	1,077,050	1,559,291

Notional amounts of derivative financial instruments outstanding as of December 31, 2025, designated to hedge forecast future cash flows relating to financial receivables and payables denominated in foreign currencies:

(amounts in thousands of Euro)	Forward sale contracts	Forward purchase contracts	December 31 2025
Currency			
US Dollar	30,570	(1,872)	28,698
Swiss Franc	24,204	-	24,204
Korean Won	17,679	-	17,679
Taiwan Dollar	8,123	-	8,123
Other currencies	12,596	(756)	11,840
Total	93,172	(2,628)	90,544

Notional amounts of derivative financial instruments outstanding as of December 31, 2024, designated to hedge forecast future cash flows relating to trade receivables and payables denominated in foreign currencies:

(amounts in thousands of Euro)	Options	Forward sale contracts	December 31 2024
Currency			
US Dollar	86,630	294,542	381,172
Chinese Renminbi	69,627	235,518	305,145
Japanese Yen	104,869	117,748	222,617
Korean Won	91,375	74,732	166,107
GB Pound	43,416	70,552	113,968
Hong Kong Dollar	7,436	48,893	56,329
Turkish Lira	-	46,955	46,955
Thai Baht	-	29,151	29,151
Canadian Dollar	-	28,766	28,766
Taiwan Dollar	-	24,938	24,938
Swiss Franc	-	22,418	22,418
Malaysia Ringgit	-	13,465	13,465
Other currencies	-	55,758	55,758
Total	403,353	1,063,436	1,466,789

Notional amounts of derivative financial instruments outstanding as of December 31, 2024, designated to hedge forecast future cash flows relating to financial receivables and payables denominated in foreign currencies:

(amounts in thousands of Euro)	Forward sale contracts	December 31 2024
Currency		
US Dollar	40,382	40,382
Swiss Franc	23,952	23,952
Korean Won	19,580	19,580
Taiwan Dollar	8,802	8,802
Malaysia Ringgit	1,292	1,292
Other currencies	8,409	8,409
Total	102,417	102,417

All derivative contracts outstanding as of December 31, 2025 mature within twelve months, except for certain forward contracts designated to hedge future cash flows of financial receivables and payables, which mature after December 31, 2026 and have a total notional amount of Euro 1.8 million (entirely relating to forward sale contracts).

All contracts at the reporting date were entered into with major financial institutions and no counterparty defaults are expected. A liquidity analysis of derivative contract maturities is presented in the financial risks section of this Note.

Interest rate transactions

The Group enters into interest rate swaps (IRS) to hedge the risk of interest rate fluctuations on bank loans and borrowings. These instruments convert floating-rate debts into fixed-rates. The contracts were entered into with major financial institutions and no counterparty default is expected.

The main characteristics of the IRS agreements outstanding as of December 31, 2025 and December 31, 2024 are summarised below:

Interest Rate Swap (IRS) Agreement						Hedged loan			
Contract	Currency	Notional amount	Interest rate	Maturity date	Fair value as of Dec. 31 2025	Currency	Type of debt	Capital	Expiry
IRS	Euro/000	16,500	1.46%	May-2030	351	EUR	Term Loan	16,500	May-2030
IRS	Euro/000	14,400	2.65%	Feb-2026	(12)	EUR	Term Loan	14,400	Feb-2026
IRS	Euro/000	200,000	2.43%	Apr-2030	557	EUR	Term Loan	200,000	Apr-2030
IRS	Euro/000	200,000	2.43%	Apr-2030	557	EUR	Term Loan	200,000	Apr-2030
IRS	Euro/000	200,000	2.43%	Apr-2030	557	EUR	Term Loan	200,000	Apr-2030
IRS	Euro/000	200,000	2.43%	Apr-2030	557	EUR	Term Loan	200,000	Apr-2030
IRS	Euro/000	200,000	2.43%	Apr-2030	557	EUR	Term Loan	200,000	Apr-2030
IRS	GBP/000	32,400	2.78%	Jan-2029	749	GBP	Term Loan	32,400	Jan-2029
Total fair value (amounts in thousands of Euro)					3,873				

Interest Rate Swap (IRS) Agreement						Hedged loan			
Contract	Currency	Notional amount	Interest rate	Maturity date	Fair value as of Dec. 31 2024	Currency	Type of debt	Capital	Expiry
IRS	Euro/000	20,168	1.46%	May-2030	449	EUR	Term Loan	20,168	May-2030
IRS	Euro/000	100,000	1.33%	Apr-2025	346	EUR	Term Loan	100,000	Apr-2025
IRS	Euro/000	27,000	2.65%	Feb-2026	(88)	EUR	Term Loan	27,000	Feb-2026
IRS	GBP/000	36,450	2.78%	Jan-2029	1,849	GBP	Term Loan	36,450	Jan-2029
Total fair value (amounts in thousands of Euro)					2,556				

Information on financial risks

Capital management

The Group's capital management strategy aims to guarantee a fair economic return to shareholders, protect the interests of other stakeholders, maintain a balanced capital structure with a high degree of creditworthiness, reducing the average cost of debt and minimizing financial risks.

Categories of financial assets and liabilities

Financial assets

The following is the detail of financial assets by measurement category:

(amounts in thousands of Euro)	Amortised cost	Fair value – hedging instruments	Equity instruments	Total	Notes
Cash and cash equivalents	1,261,676	-	-	1,261,676	8
Trade receivables	468,466	-	-	468,466	9
Derivative financial instruments	-	26,353	-	26,353	11
Investments in equity instruments and associates	-	-	67,523	67,523	17
Total as of December 31, 2025	1,730,142	26,353	67,523	1,824,018	

(amounts in thousands of Euro)	Amortised cost	Fair value – hedging instruments	Equity instruments	Total	Notes
Cash and cash equivalents	1,011,563	-	-	1,011,563	8
Trade receivables	423,733	-	-	423,733	9
Derivative financial instruments	-	15,058	-	15,058	11
Investments in equity instruments and associates	-	-	37,624	37,624	17
Total as of December 31, 2024	1,435,296	15,058	37,624	1,487,978	

Financial liabilities

The following is the detail of financial liabilities by measurement category:

(amounts in thousands of Euro)	Amortised cost	Fair value – hedging instruments	Total	Notes
Financial liabilities	1,732,366	-	1,732,366	20,25
Trade payables	628,166	-	628,166	22
Derivative financial instruments	-	10,475	10,475	11
Lease liabilities	3,091,879	-	3,091,879	19
Total as of December 31, 2025	5,452,411	10,475	5,462,886	

(amounts in thousands of Euro)	Amortised cost	Fair value – hedging instruments	Total	Notes
Financial liabilities	412,337	-	412,337	20,21,25
Trade payables	481,615	-	481,615	22
Derivative financial instruments	-	28,177	28,177	11
Lease liabilities	2,375,113	-	2,375,113	19
Total as of December 31, 2024	3,269,065	28,177	3,297,242	

Fair Value

The reported amount of derivative instruments, whether recognised as assets or liabilities, reflects their fair value, as described in this Note.

The carrying amounts of cash and cash equivalents, financial receivables and trade receivables, net of impairment where applicable in accordance with IFRS 9, approximate their estimated recoverable value and therefore their fair value.

Investments in equity instruments are measured at fair value (Level II).

Credit risk

Credit risk represents the risk of financial loss arising from a counterparty's failure to meet its contractual obligations. The Group's maximum exposure to credit risk corresponds to the carrying amount of the financial assets recognised in the financial statements.

Management considers that the Group's credit risk mainly relates to trade receivables from wholesale and other commercial partners, as well as cash holdings. The Group has implemented specific control procedures to manage this risk, as described in the risk factors section of the Financial Review.

Trade receivables

The table below presents an ageing analysis of gross trade receivables and the related allowance for bad and doubtful debts:

(amounts in thousands of Euro)	December 31, 2025	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables – gross amount	503,014	450,731	12,476	8,005	5,834	3,713	22,255
Allowance for bad and doubtful debts	(34,548)	(6,806)	(1,448)	(2,161)	(2,583)	(2,582)	(18,968)
Trade receivables	468,466	443,925	11,028	5,844	3,251	1,131	3,287

(amounts in thousands of Euro)	December 31, 2024	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade receivables – gross amount	437,795	376,641	34,956	8,277	2,981	817	14,123
Allowance for bad and doubtful debts	(14,062)	(2,788)	(30)	(170)	(142)	(26)	(10,906)
Trade receivables	423,733	373,853	34,926	8,107	2,839	791	3,217

Bank current accounts and deposits

Bank deposits are broken down by currency below:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Currency		
Euro	700,847	514,735
US Dollar	129,284	91,434
Chinese Renminbi	63,031	31,686
Hong Kong Dollar	32,673	55,307
Other Currencies	54,517	41,696
Total bank deposit accounts	980,352	734,858

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 (high investment grade), and always short-term.

Bank current accounts are broken down by currency as follows:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Currency		
Euro	54,662	32,519
UAE Dirham	30,228	42,197
US Dollar	28,781	18,374
Chinese Renminbi	8,569	3,690
Korean Won	8,109	22,411
Hong Kong Dollar	5,233	7,824
Other currencies	93,554	86,221
Total bank current accounts	229,136	213,236

For its operational activities and business processes, the Group deals with financial institutions of primary standing and maintains an appropriate level of diversification; accordingly, counterparty risk on bank accounts is considered not significant.

Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties in obtaining sufficient funds to meet its financial obligations. The Directors oversee liquidity risk management, while the Group Chief Financial Officer (CFO), supported by the Deputy Group CFO, is responsible for the optimisation of financial resources.
Based on available information, the Directors believe that existing funds and credit facilities, together with cash flows expected from operating and financing activities, will enable the Group to meet its financial requirements related to investments, working capital, scheduled debt repayments and dividend distributions in the foreseeable future.

In connection with the financing of the Versace acquisition, Prada S.p.A. entered into a syndicated facilities agreement for a total amount of Euro 1,500 million, comprising a Euro 1,000 million term loan facility with a five-year maturity and a bridge term loan facility of up to Euro 500 million with a maturity of up to two years. At the acquisition closing, Euro 1,000 million and Euro 300 million were drawn under the term loan and bridge facilities, respectively.

In addition, Prada S.p.A. entered into a bilateral term loan facility of Euro 200 million with a seven-year maturity, which was also drawn at the acquisition closing.

As of December 31, 2025, the Group had undrawn cash credit lines available with banks totalling Euro 1,398 million (Euro 1,296 million as of December 31, 2024), of which Euro 854 million were committed credit lines and Euro 544 million uncommitted ones.

Trade payables

An aging analysis of the trade payables is set forth below:

(amounts in thousands of Euro)	December 31, 2025	Not overdue	Overdue (in days)				
			1 ≤ 30	31 ≤ 60	61 ≤ 90	91 ≤ 120	> 120
Trade payables	628,166	579,723	24,770	8,699	2,522	4,225	8,227
Total December 31, 2025	628,166	579,723	24,770	8,699	2,522	4,225	8,227

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

Financial liabilities under derivative financial instruments (forward contracts and options)

The tables below present the maturities of financial liabilities based on the earliest date on which the Group may be required to make payment (worst-case scenario).

In accordance with IFRS 7, the following tables also include financial liabilities arising from forward contracts and options designated as cash flow hedges for which a negative cash flow is expected at the reporting date:

(amounts in thousands of Euro)	Future contractual cash flows at Dec. 31, 2025	1 year or less	1 to 2 years	2 to 5 years	more than 5 years
Net cash flows (outflows / inflows) of forward contracts	(7,671)	(7,671)	-	-	-
Net cash flows (outflows / inflows) of options	(562)	(562)	-	-	-
Net amount	(8,233)	(8,233)	-	-	-

(amounts in thousands of Euro)	Future contractual cash flows at Dec. 31, 2024	1 year or less	1 to 2 years	2 to 5 years	more than 5 years
Net cash flows (outflows / inflows) of forward contracts	(24,472)	(24,073)	(399)	-	-
Net cash flows (outflows / inflows) of options	(3,705)	(3,701)	(4)	-	-
Net amount	(28,177)	(27,774)	(403)	-	-

Financial liabilities under derivative financial instruments (interest rate swaps)

(amounts in thousands of Euro)	Future contractual cash flows at Dec. 31, 2025	1 year or less	1 to 2 years	2 to 5 years	more than 5 years
Interest rate swap cash flow hedge	(2,242)	(2,242)	-	-	-
Net amount	(2,242)	(2,242)	-	-	-

There were no interest rate swaps with negative cash flows in 2024.

Financial liabilities

(amounts in thousands of Euro)	Carrying amount as of December 31 2025	Future contractual cash flows as of December 31 2025	on demand	1 year or less	1 to 2 years	2 to 5 years	more than 5 years
Lease liabilities	3,091,879	3,571,933	-	553,560	595,051	1,261,850	1,161,472
Financial liabilities – third parties (without deferred costs on loans)	1,735,248	1,906,583	-	373,412	153,315	1,162,818	217,038
Financial liabilities – related parties	-	-	-	-	-	-	-
Net amount	4,827,127	5,478,516	-	926,972	748,366	2,424,668	1,378,510

(amounts in thousands of Euro)	Carrying amount as of December 31 2024	Future contractual cash flows as of December 31 2024	on demand	1 year or less	1 to 2 years	2 to 5 years	more than 5 years
Lease liabilities	2,375,113	2,681,664	-	496,257	428,078	930,854	826,475
Financial liabilities – third parties (without deferred costs on loans)	404,453	424,062	-	192,647	153,523	77,892	-
Financial liabilities – related parties	8,149	8,636	-	8,636	-	-	-
Net amount	2,787,715	3,114,362	-	697,540	581,601	1, 008,747	826,475

Some of the above financial liabilities contain loan covenants, as described in Note 25.

Sensitivity to exchange rate risk

The Group's foreign exchange rate risk is largely concentrated at Prada S.p.A. and arises from fluctuations of foreign currencies against the Euro.

As the Group's parent and worldwide distributor of branded products, Prada S.p.A. settles intercompany transactions with subsidiaries mainly in the subsidiaries' local currencies. Consequently, foreign exchange exposure primarily results from these intercompany balances. Derivative instruments are used to mitigate this risk.
The currencies to which the Group is most exposed are the GB Pound, Hong Kong Dollar, Japanese Yen, US Dollar, Chinese Renminbi and Korean Won.

The table below presents the sensitivity of consolidated profit for the year and equity to a range of hypothetical changes in the main foreign currencies against the Euro, based on the statement of financial position of the Group's companies as of December 31, 2025:

(amounts in thousands of Euro)	Euro strengthens by 5%		Euro weakens by 5%	
	Impact on profit for the year	Impact on equity	Impact on profit for the year	Impact on equity
GP Pound	770	3,441	(951)	(4,303)
Hong Kong Dollar	3,453	4,919	(3,858)	(5,557)
Japanese Yen	(4,735)	3,842	5,816	(2,837)
US Dollar	941	13,146	(1,110)	(14,961)
Chinese Renminbi	2,209	13,498	(3,219)	(17,823)
Korean Won	(132)	5,968	226	(6,622)
Other currencies	(4,225)	5,093	4,467	(5,831)
Total	(1,719)	49,907	1,371	(57,934)

The total impact on equity (positive Euro 49.9 million and negative Euro 57.9 million) represents the aggregate of the theoretical effects on profit or loss and on the cash flow hedge reserve resulting from a hypothetical appreciation or depreciation of the Euro against the other currencies.
The effects on the financial statement items are presented above before income taxes. The sensitivity analysis is based on currency exposures at the end of the reporting period and may not be representative of exposures during the year; it is therefore indicative only.

Sensitivity to interest rate risk
The Prada Group is exposed to interest rate fluctuations primarily in relation to interest expense on the medium- and long-term borrowings of the parent, Prada S.p.A., and certain subsidiaries. Financial risk management is under the overall responsibility of the Group Chief Financial Officer.

The table below presents the sensitivity of consolidated profit and equity to a hypothetical shift in the interest rate curve, based on the financial position of the Group's companies as of December 31, 2025:

(amounts in thousands of Euro)	Interest rate curve shift			
	+0.50%		-0.50%	
	Impact on profit for the year	Impact on equity	Impact on profit for the year	Impact on equity
Euro	(4,440)	15,755	4,067	(15,501)
GP Pound	(126)	257	126	(264)
Hong Kong Dollar	190	190	(190)	(190)
Japanese Yen	72	72	(72)	(72)
US Dollar	790	790	(790)	(790)
Other currencies	941	941	(941)	(941)
Total	(2,573)	18,005	2,200	(17,758)

The total impact on equity (positive and negative Euro 18 million) represents the aggregate theoretical effect on profit or loss and on the cash flow hedge reserve resulting from a hypothetical shift in the interest rate curve. The effects on the financial statement items are presented before income taxes.

The sensitivity analysis is based on the net financial position at the end of the reporting period and may not be representative of the actual exposure to interest rate risk during the year; it is therefore indicative only.

Other risks
Risk factors affecting the international luxury goods market, as well as those specific to the Prada Group, are described in the Financial Review in the section "Risk factors and management".

12. Receivables due from, and advance payments to, related parties – current and non-current

Current amounts due from, and advance payments to, related parties are detailed as follows:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Financial assets	63	7
Other receivables and advances	122	134
Receivables due from, and advance payments to, related parties - current	185	141

Non-current amounts due from, and advance payments to, related parties are detailed as follows:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Financial assets	4,817	369
Receivables due from, and advance payments to, related parties - non-current	4,817	369

Additional information on related party transactions is provided in Note 39.

13. Other current assets

Other current assets are set forth below:

(amounts in thousands of Euro)	December 31 2025	December 31 2024 (*)
VAT	51,489	37,833
Income tax receivables	29,667	34,342
Other taxes receivables	24,250	27,941
Advances on advertising campaigns	21,045	14,890
Rental costs	14,838	6,309
Insurance	6,490	3,203
Advances to suppliers	5,781	9,589
Guarantee deposits	5,662	5,613
Other	73,067	39,551
Total	232,289	179,271

(*) Please refer to Note 2 for additional information

The Versace acquisition contributed Euro 46.6 million to other current assets as of December 31, 2025. Guarantee deposits referred primarily to security deposits paid under retail leases.

14. 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 and fittings	Other tangibles	Assets under construction	Total
Historical cost	1,476,603	300,975	1,556,832	781,981	229,670	100,361	4,446,422
Accumulated depreciation	(245,303)	(221,184)	(1,129,733)	(434,101)	(161,046)	-	(2,191,367)
Net carrying amount as of December 31, 2024	1,231,300	79,791	427,099	347,880	68,624	100,361	2,255,055
Historical cost	1,546,772	319,666	1,750,437	883,273	232,730	155,367	4,888,245
Accumulated depreciation	(289,413)	(234,940)	(1,243,945)	(487,368)	(173,424)	-	(2,429,090)
Net carrying amount as of December 31, 2025	1,257,359	84,726	506,492	395,905	59,306	155,367	2,459,155

The changes in the carrying amount for the year are as follows:

(amounts in thousands of Euro)	Land and buildings	Production plant and machinery	Leasehold improvements	Furniture and fittings	Other tangibles	Assets under construction	Total carrying amount
Opening balance	1,231,300	79,791	427,099	347,880	68,624	100,361	2,255,055
Change in the consolidation scope	(1,896)	(261)	48,849	15,951	1,920	4,771	69,334
Additions	95,778	15,395	171,040	88,060	11,284	148,649	530,206
Depreciation	(29,141)	(15,986)	(146,684)	(64,848)	(13,204)	-	(269,863)
Disposals	(1,249)	(185)	(458)	(332)	(13,319)	(229)	(15,772)
Exchange differences	(50,529)	(128)	(36,160)	(16,061)	(660)	(5,106)	(108,644)
Other movements	13,096	6,100	38,783	25,196	4,620	(93,079)	(5,284)
Revaluation IAS 29	-	-	4,023	59	41	-	4,123
Closing balance	1,257,359	84,726	506,492	395,905	59,306	155,367	2,459,155

The increase in leasehold improvements and furniture and fittings primarily related to restyling and relocation projects for the retail premises.
The assets under construction at the end of the period concern retail and industrial projects.

Impairment test
In accordance with IAS 36 "Impairment of Assets", the Group assessed whether indicators of impairment existed for property, plant and equipment allocated to cash-generating units ("CGUs"). CGUs for which impairment indicators were identified were tested for impairment.

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

The projected cash flows do not consider either significant improvement in the performance of the assets existing as of December 31, 2025 or future developments of new activities.

Based on the impairment tests performed as of December 31, 2025, no impairment losses were recognised on property, plant and equipment.

15. Goodwill and intangible assets

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

(amounts in thousands of Euro)	Goodwill	Trademarks and intellectual property rights	Software	Other intangibles	Assets in progress	Total intangible assets
Historical cost	583,484	412,090	372,937	117,591	53,288	955,906
Accumulated amortisation / impairment	(67,977)	(243,360)	(242,778)	(117,355)	-	(603,493)
Net carrying amount as of December 31, 2024	515,507	168,730	130,159	236	53,288	352,413
Historical cost	1,583,086	409,220	369,731	53,597	54,907	887,455
Accumulated amortisation / impairment	(65,184)	(251,669)	(200,439)	(53,262)	-	(505,370)
Net carrying amount as of December 31, 2025	1,517,902	157,551	169,292	335	54,907	382,085

The changes in the carrying amount for the year are as follows:

(amounts in thousands of Euro)	Goodwill	Trademarks and intellectual property rights	Software	Other intangibles	Assets in progress	Total intangible assets
Opening balance	515,507	168,730	130,159	236	53,288	352,413
Change in the consolidation scope	1,002,395	-	7,045	93	-	7,138
Additions	-	1,020	34,330	-	51,877	87,227
Amortisation	-	(10,729)	(47,287)	(1,442)	-	(59,458)
Disposals	-	-	(437)	-	-	(437)
Exchange differences	-	(1,470)	(79)	43	(22)	(1,528)
Other movements	-	-	45,565	1,422	(50,236)	(3,249)
Impairment	-	-	(4)	(17)	-	(21)
Closing balance	1,517,902	157,551	169,292	335	54,907	382,085

The increase in "Goodwill" of Euro 1,002.4 million reflects the provisional goodwill recognized in connection with the Versace acquisition (see Note 6).
Capital expenditures in software relate to technological and digital initiatives in the retail, manufacturing and corporate areas.
Carrying amount of trademarks and intellectual property rights at the reporting date is broken down in the following table:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Miu Miu	99,538	105,013
Church's	36,769	40,947
Prada	5,556	5,617
Other trademarks and other intellectual property rights	15,688	17,153
Total	157,551	168,730

No impairment was recognised on the Group's trademarks during the year.

Capital expenditure for the period

Total capital expenditure for property, plant and equipment and intangible assets in the twelve months ended December 31, 2025 amounted to Euro 617.4 million, as detailed below:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Retail	320,531	324,039
Real estate	82,895	30,855
Industrial, logistics and corporate	214,007	138,360
Total	617,433	493,254

Impairment test

Consistently with last year, the groups of CGUs - which represent the lowest level within the Group at which management tests goodwill for impairment - correspond to the brands (the operating segments identified for segment reporting purpose in compliance with IFRS 8 as reported in Note 7).

As of December 31, 2025, the goodwill recognised in the consolidated financial statements amounted to Euro 1,517.9 million, and it was allocated to the following group of CGUs:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Versace	1,002,395	-
Prada	424,262	424,262
Miu Miu	91,245	91,245
Total	1,517,902	515,507

No impairment losses were identified based on the impairment tests as of December 31, 2025.

The Discounted Cash Flow method used to identify the recoverable amount of the group of CGUs consists of discounting the projected cash flows generated by the activities directly attributable to the operating segment to which the intangible asset or net invested capital has been assigned (value in use). Value in use is the sum of the present value of the future cash flows expected on the basis of the business plan projections prepared by the management for each group of CGUs and the present value of the related operating activities at the end of the period (terminal value). The recoverable amount was estimated with the assistance of a leading consulting firm.

The business plans used for the impairment tests were prepared by the management starting from the 2026 budget and cover a period that does not exceed five years. The business plans do not consider either significant improvement in the performance of the assets existing as of December 31, 2025 or future developments of new activities.

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

The "g" rate of growth used to calculate the terminal value was assumed equal to 2.5% (same as 2024), in line with inflation expectations and not higher than the long-term growth expected for the luxury goods market.

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

CGU	WACC	
	2025	2024
Prada	8.5%	7.2%
Miu Miu	8.5%	7.2%

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

As value in use is measured on estimates and assumptions, management cannot exclude the possibility that goodwill or other tangible and intangible assets may be subject to impairment in future periods.

Versace
As disclosed in Note 6, the Versace acquisition was completed on December 2, 2025. Given its proximity to the year end, management assessed the purchase consideration and concluded that it is consistent with the fair value of the acquired business.

Church's
An impairment test was carried out on Church's group of CGUs, which include the value of the brand for Euro 36.8 million subject to amortisation with a residual useful life of 14 years, in order to identify any further potential impairment following the reorganisation process started in 2022.
The Discounted Cash Flow method used to identify the recoverable amount (value in use) consisted of discounting the projected cash flows generated by the net invested capital. The recoverable amount was estimated with the assistance of a leading consulting firm. The cash flow projections used for the impairment test were based on the business plan prepared by management. The rate used to discount the cash flows is the weighted average cost of capital (WACC) in a post-tax configuration. For the year ended December 31, 2025, the WACC used to discount the cash flows generated by the Church's group of CGUs was 8.6% (7.3% in 2024), and it was determined by taking into due consideration the risk profile of the group of CGU's activities. The "g" rate of growth used to calculate the terminal value was assumed equal to 2.5% (same as last year), in light of the medium-term inflation rate in the countries where Church's operates and of the growth outlook for the luxury goods market.

Based on the impairment tests performed as of December 31, 2025, no impairment losses were recognised on property, plant and equipment.

A sensitivity analysis of the impairment test was carried out to changes in the key assumptions used to determine the recoverable amount for the group of CGUs and did not show any potential impairment loss. The "break-even" WACC at which the recoverable amount would be equal to the carrying amount is 12.2% (10.2% in 2024).

16. Right of use assets

The changes in the carrying amount of the right of use assets for the year ended December 31, 2025 are shown below:

(amounts in thousands of Euro)	Real estate	Other	Total carrying amount
Opening balance	2,268,833	10,122	2,278,955
Change in the consolidation scope	486,813	-	486,813
New contracts, initial direct costs and remeasurements	864,825	3,523	868,348
Depreciation	(481,452)	(4,325)	(485,777)
Contracts termination	(5,851)	(49)	(5,900)
Exchange differences	(163,387)	479	(162,908)
Revaluation IAS 29	4,089	-	4,089
Closing balance	2,973,870	9,750	2,983,620

Right of use assets increased by Euro 704.7 million, mainly reflecting new leases and remeasurements of existing leases totalling Euro 868.3 million, less depreciation of Euro 485.8 million, contract terminations of Euro 5.9 million and negative foreign exchange rate differences of Euro 162.9 million. The Versace acquisition contributed Euro 486.8 million.

Additions relating to new leases, initial direct costs and remeasurements primarily related to lease renewals (mainly in Asia, Europe and America) and the remeasurement of the liability to reflect indexes commonly used in the real estate sector, principally the consumer price index.
"Other" right of use assets, amounting to Euro 9.8 million, include plant and machinery, vehicles and hardware.

Impairment test
Based on the impairment test performed as of December 31, 2025, no impairment losses were recognised on the right of use assets of the CGUs tested.

17. Investments in equity instruments and associates

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Equity investments	46,945	-
Associates	20,578	37,624
Total	67,523	37,624

The increase in investments in equity instruments mainly related to the acquisition of a 10% interest in the Rino Mastrotto Group, a global provider of leather, textiles and bespoke services for the luxury industry.

18. Other non-current assets

Other non-current assets are detailed as follows:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Guarantee deposits	96,755	84,513
Prepayments for commercial agreements	37,560	41,733
Pension fund surplus (Note 26)	4,097	4,773
Other non-current assets	19,415	8,067
Total	157,827	139,086

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

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Nature:		
Stores	88,444	71,146
Offices	4,580	4,952
Warehouses	413	438
Other	3,318	7,977
Total	96,755	84,513

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Maturity:		
Between one to two years	21,657	14,143
Between two to five years	47,396	34,632
After more than five years	27,702	35,738
Total	96,755	84,513

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

19. Lease liabilities

The following table sets forth the changes in lease liabilities:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Opening balance	2,375,113	2,110,888
Change in the consolidation scope	491,253	-
New contracts and remeasurements	858,211	658,907
Payment of lease liabilities	(452,376)	(438,833)
Contracts termination	(7,714)	(4,078)
Exchange differences	(172,608)	48,229
Closing balance	3,091,879	2,375,113

Lease liabilities increased from Euro 2,375 million as of December 31, 2024 to Euro 3,092 million as of December 31, 2025, primarily reflecting new contracts and remeasurements of Euro 858.2 million, less payments made during the period of Euro 452.4 million, contract terminations of Euro 7.7 million and negative foreign exchange rate differences of Euro 172.6 million. The Versace acquisition contributed Euro 491.3 million.

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

20. Current financial liabilities and bank overdrafts

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Short-term bank borrowings	305,854	34,322
Current portion of long-term loans	134,249	149,126
Deferred costs	(242)	(201)
Total	439,861	183,247

As of December 31, 2025, short-term bank borrowings primarily consisted of the bridge term loan facility drawn in connection with the Versace acquisition.

Short-term bank borrowings are broken down by currency below:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Euro	305,284	-
Japanese Yen	549	20,238
Chinese Renminbi	21	13,187
Other currencies	-	897
Total	305,854	34,322

The Group generally borrows at variable interest rates (see Note 25) and manages exposure to interest rate fluctuations through the use of hedging instruments (see Note 11).
Further information on the covenants applicable to long-term loans is provided in Note 25.

21. Liabilities due to related parties – current

Current liabilities due to related parties are shown below:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Financial liabilities	-	8,149
Other liabilities	21	130
Total	21	8,279

The change in financial liabilities mainly reflected the repayment of loans granted by non-controlling interests in the Middle East.
Further information on related party transactions is provided in Note 39.

22. Trade payables

Trade payables are detailed as follows:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Trade payables - third parties	620,715	475,822
Trade payables - related parties	7,451	5,793
Total	628,166	481,615

The year-on-year increase in trade payables to third parties was primarily attributable to the Versace acquisition.

23. Income tax liabilities and other tax liabilities

Income tax liabilities and other tax liabilities are detailed hereunder:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Income tax liabilities	41,603	99,306
Other taxes liabilities	87,404	77,832
Total	129,007	177,138

Income tax liabilities decreased primarily due to higher tax advances calculated on the prior year's results.
Other taxes liabilities mainly consisted of withholding taxes and VAT.

24. Other current liabilities

Other current liabilities are as follows:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Short-term benefits for employees and other personnel	157,293	121,969
Payables for capital expenditure	125,383	124,163
Accrued expenses and deferred income	55,301	26,560
Provision for returns from customers	75,510	50,451
Customer advances	47,190	46,342
Other	6,535	1,775
Total	467,212	371,260

25. Non-current financial liabilities

Non-current financial liabilities are as follows:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Long-term bank loans	1,286,145	221,005
Deferred costs	(2,640)	(64)
Other financial liabilities	9,000	-
Total	1,292,505	220,941

As of December 31, 2025, Prada S.p.A. complied with all loan covenants and expects to continue to do so over the following twelve months.
The long-term bank loans as of December 31, 2025, excluding amortised costs and other financial liabilities, 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	Covenant (2)
Prada S.p.A.	16,499	Term-loan	EUR	05/2030	2.737%	3,666	12,833	Mortgage loan	n.a.
Prada S.p.A.	1,000,000	Term-loan	EUR	04/2030	3.231%	-	1,000,000	-	Leverage ≤ 3.5
Prada S.p.A.	100,000	Term-loan	EUR	07/2026	2.684%	100,000	-	-	Leverage ≤ 3.5
Prada S.p.A.	14,400	Term-loan	EUR	02/2026	3.549%	14,400	-	-	Leverage ≤ 3.5
Prada S.p.A.	200,000	Term-loan	EUR	11/2032	3.235%	-	200,000	-	Leverage ≤ 3.5
Prada S.p.A.	11,111	Term-loan	EUR	11/2026	2.819%	11,111	-	-	Leverage ≤ 3.5
Kenon Ltd	35,929	Term-loan	GBP	01/2029	4.477%	5,072	30,856	Mortgage loan	Loan to value < 60%
Prada Fashion Commerce (Shanghai) co Ltd	42,455	Term-loan	RMB	08/2029	3.738%	-	42,456	-	n.a.
Total	1,420,394					134,249	1,286,145		

(1) the interest rates include the effect of any interest rate risk hedges
(2) "leverage" is the ratio between the net financial position and the sum of "EBIT", "Interest expenses on lease liabilities" and "Depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets"
"loan to value" is the ratio between the amount of the mortgage loan and the market value of the property
Covenants are calculated on a semester basis based on the financial information as of December 31 and June 30

In 2025, the current portions of long-term loans were repaid for a total amount of Euro 149 million. In 2024 Prada Fashion Commerce (Shanghai) Co Ltd stipulated a new medium- to long-term loan with a five-year maturity for RMB 400 million (Euro 47.6 million), of which RMB 349.3 million (Euro 42.5 million) was drawn at year-end.

On April 17, 2024, Prada S.p.A. entered into a new Euro 800 million sustainability-linked revolving credit facility with a five-year maturity, replacing the previous Euro 400 million facility. The facility remained undrawn as of December 31, 2025.

Prada S.p.A.'s mortgage loan is secured by the Group's headquarters building in Milan, while Kenon Ltd's mortgage loan is secured by the building on Old Bond Street, London, which houses one of the Prada's flagship stores in Europe as well as office premises.

The Group generally borrows at variable interest rates and manages exposure to interest rate fluctuations through hedging agreements, as described in Note 11.

Financial liabilities are presented below according to their fixed-rate portion (linked to existing interest rate swaps) and variable-rate portion:

	December 31, 2025		December 31, 2024	
	variable interest rates	fixed interest rates	variable interest rates	fixed interest rates
Current financial liabilities	95%	5%	33%	67%
Non-current financial liabilities	16%	84%	56%	44%

26. Long-term employee benefits

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Post-employment benefits	37,563	40,974
Other long-term employee benefits	38,365	40,775
Total liabilities for long-term employee benefits	75,928	81,749
Post-employment benefits - Pension plan surplus (Note 18)	(4,097)	(4,773)
Net liabilities for long-term employee benefits	71,831	76,976

Post-employment benefits

The liabilities for post-employment benefits consisted of:

- Euro 18.9 million (Euro 19.9 million as of December 31, 2024) accounted for by Italian companies;
- Euro 18.7 million for the foreign subsidiaries (Euro 21.1 million as of December 31, 2024).

The Italian liabilities regard the "Trattamento di Fine Rapporto" ("TFR", or staff leaving indemnities), a deferred benefit for employees that is mandatory for Italian businesses and is based on the employees' length of service and salary. The present value of the liability recognised was determined by projecting the amount accrued as of December 31, 2025 as per Italian law to the estimated future date of employment termination, and then discounting it to the present value at the same reporting date using the projected unit credit method ("PUCM").

The following table presents the changes in long-term employee benefits as of December 31, 2025:

(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	19,863	21,111	(4,773)	40,775	76,976
Change in the consolidation scope	389	(75)	-	1,080	1,394
Current service cost	609	6,010	37	3,425	10,081
Financial expense (income)	543	242	(248)	653	1,190
Remeasurement of defined benefit plans (OCI)	(204)	(1,110)	701	29	(584)
Benefits paid	(2,073)	(5,518)	50	(7,255)	(14,796)
Contributions	-	-	(93)	-	(93)
Exchange differences	-	(2,224)	229	(342)	(2,337)
Closing balance	19,127	18,436	(4,097)	38,365	71,831

Details of the remeasurement of defined benefit plans are reported below:

(amounts in thousands of Euro)	Defined Benefit Plans in Italy (TFR)	Defined Benefit Plans in other countries (including Japan)	Pension Funds in UK
Actuarial adjustments due to:			
(a) Changes in financial assumptions	(598)	(825)	115
(b) Changes in other assumptions (e.g. demographic assumptions, remuneration increases)	394	(285)	586
Remeasurement of defined benefit plans	(204)	(1,110)	701

The current service cost and financial expense / (income) are recognised in the statement of profit or loss. For other long-term employee benefits, the remeasurement of defined benefit plans is recognised in the statement of profit or loss.

The TFR liability was measured on the basis of an independent appraisal by Federica Zappari, an Italian actuary, member (n. 1134) of the Ordine Nazionale degli Attuari (Italian Society of Actuaries). The technical basis was processed using statistical data, whereas the demographic assumptions involved variables such as the probabilities of death, retirement, resignations and dismissals; contract expiration; TFR advances and supplementary pension schemes.

In the Consolidated Statement of financial position, the post-employment benefits are stated gross of the pension plan surplus for the Group companies operating in the United Kingdom that supply pension services to their employees. In 2024 Church & Co Ltd terminated the Works Retirement Benefits Scheme with effective date on April 1, 2024. As of December 31, 2025, the fair value of the remaining pension plan (Staff pension scheme) was a surplus of Euro 4.1 million (Euro 4.8 million as of December 31, 2024). The fair value of the plan assets was determined by the independent actuary Broadstone Limited. It is detailed below:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Fair value of plan assets	34,029	36,022
Fair value of plan liabilities	(29,932)	(31,249)
Pension plan surplus	4,097	4,773

The composition of the main plan assets at the reporting date is as follows:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Equities	5,995	7,430
Alternatives	3,995	2,144
Bonds	23,582	24,732
Cash	457	1,716
Total	34,029	36,022

The main actuarial assumptions used as of December 31, 2025 are as follows:

	Defined Benefit Plans in Italy (TFR)	Pension Funds in UK	Defined Benefit Plans in Japan
Discount rate	3.44%	5.43%	2.60%
Average duration of plan (years)	8.4	11	9.5
Average increase in remuneration	2.60%	2.69%	2.61%
Rate of inflation	1.90%	2.69%	N/A

The main actuarial assumptions used as of December 31, 2024 were as follows:

	Defined Benefit Plans in Italy (TFR)	Pension Funds in UK	Defined Benefit Plans in Japan
Discount rate	3.21%	5.35%	1.63%
Average duration of plan (years)	10	11	9.9
Average increase in remuneration	2.60%	2.99%	2.61%
Rate of inflation	2.00%	2.99%	N/A

The discount rate used to measure defined benefit plans was determined by reference to yields on high-quality bonds (AA rating) with maturity date consistent with those of the related plans.

With respect to the liability as of December 31, 2025, a sensitivity analysis was performed on the main actuarial variables, including the discount rate, salary changes and inflation rate. The analysis did not result in significant changes in the liability, except for the sensitivity analysis conducted on the interest rate curve: a 50 basis point increase or decrease in the discount rate would result in a corresponding decrease or increase in the Group's total defined benefit obligation ("DBO") of approximately Euro 3 million (or 4% of the current liability on the statement of financial position).

Other long-term employee benefits

Other long-term employee benefits meet the definition of long-term employee benefits under IAS 19 and IFRS 2 for the Group's key management personnel. Their actuarial valuation as of December 31, 2025, determined using the projected unit credit method (PUCM) and fair value methodologies, amounted to Euro 38.4 million (Euro 40.8 million as of December 31, 2024), based on an independent actuarial appraisal.

Beneficiaries of the phantom stock option plans are entitled to a cash payment based on the variable number of phantom shares assigned, subject to the achievement of the Group's economic and financial objectives and ESG targets over the vesting period of the plans.
The value of the phantom stock options is determined as the difference between the Prada share price at the end of the remuneration plan and the share price at the grant date.

As of December 31, 2025, four phantom stock option plans were outstanding for the Group's top management, with vesting period in 2026 (two plans), 2027 and 2028, for a total of 14,728,380 options.

Details of the phantom stock options assigned as of December 31, 2025 are set forth below:

Number of Phantom stock options	
Assigned as of December 31, 2024	7,697,621
Increase of the period	4,539,113
Payments of the period	(705,734)
Forfeited shares	(300,749)
Total as of December 31, 2025	11,230,251

The fair value of the options assigned was determined using a Monte Carlo valuation model in accordance with IFRS 2 and amounted to Euro 29.3 million.

27. Provisions for risks and charges

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

(amounts in thousands of Euro)	Provision for legal disputes	Provision for tax disputes	Other risk provisions	Total
Opening balance	529	1,508	62,247	64,284
Change in the consolidation scope	1,898	4,130	6,590	12,618
Exchange differences	(12)	(44)	(4,652)	(4,708)
Reversals	(137)	(494)	(1,475)	(2,106)
Utilisation	(207)	(509)	(7,546)	(8,262)
Increases	641	1,516	19,353	21,510
Closing balance	2,712	6,107	74,517	83,336

Provisions for risks and charges represent the Directors' best estimate of the maximum outflow of resources required to settle probable liabilities. In the Directors' opinion, based on the information available at the reporting date, the total amount provided is adequate to cover the obligations that may arise.
Other risk provisions amounted to Euro 74.5 million as of December 31, 2025, mainly relating to contractual obligations to restore leased commercial properties to their original condition for Euro 63.0 million and to the Group's commitments in connection with the SEA BEYOND project.

28. Other non-current liabilities

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Deferred income for commercial agreements	80,765	89,739
Accrued costs for lease payments (out of scope for IFRS 16)	3,697	5,534
Other non-current liabilities	1,421	37
Total	85,883	95,310

29. Equity attributable to the owners of Prada S.p.A.

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

(amounts in thousands of Euro)	December 31 2025	December 31 2024 (*)
Share capital	255,882	255,882
Share premium reserve	410,047	410,047
Other reserves	3,123,032	2,696,895
Defined benefit plans reserve	(9,092)	(9,314)
Cash flow hedge reserve	9,039	(8,064)
Translation reserve	3,385	148,959
Profit for the year attributable to the owners of Prada S.p.A.	851,936	838,907
Total	4,644,229	4,333,312

(*) Please refer to Note 2 for additional information

As of December 31, 2025, 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.
The share premium reserve amounted to Euro 410 million, unchanged compared with December 31, 2024.

Other reserves totalled Euro 3,123 million as of December 31, 2025, an increase of Euro 426.1 million compared with December 31, 2024. The movement mainly reflects the allocation of the prior year's profit of Euro 838.9 million, partly offset by dividend distributions to Prada S.p.A. shareholders of Euro 419.6 million.

The translation reserve decreased from Euro 149.0 million as of December 31, 2024 to Euro 3.4 million, mainly due to the depreciation of the US Dollar, Korean Won and Chinese Renminbi against the Euro.

Profit for the year attributable to the owners of Prada S.p.A. for the twelve months ended December 31, 2025 amounted to Euro 851.9 million (Euro 838.9 million for the twelve months ended December 31, 2024).

30. Equity attributable to non-controlling interests

The following table sets out the changes in non-controlling interests during the years ended December 31, 2025 and December 31, 2024:

(amounts in thousands of Euro)	December 31 2025	December 31 2024
Opening balance	20,065	23,014
Translation reserve	(1,591)	612
Dividends	(250)	(250)
Profit for the year attributable to non-controlling interests	2,986	4,493
Defined benefit plans reserve	4	4
Sale of shares to the owners of Prada S.p.A.	324	(9,576)
Other reserves	-	1,768
Closing balance	21,538	20,065

Consolidated Statement of Profit or Loss

31. Net revenues

Consolidated net revenues are primarily generated from sales of finished products.

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024
Net sales	5,572,512	5,310,026
Royalties	145,009	121,531
Total	5,717,521	5,431,557

32. Cost of goods sold

Cost of goods sold is composed of:

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024
Purchases of raw materials and manufactoring services, net of change in inventories	696,706	693,552
Depreciation, amortisation and impairment on property, plant and equipment and intangible assets	22,841	20,678
Depreciation and impairment of the right of use assets	5,203	4,095
Labor cost	195,233	181,046
Logistics costs, duties, insurance and other	205,461	195,494
Total	1,125,444	1,094,865

The cost of goods sold represented 19.7% of net revenues for the twelve months ended December 31, 2025, compared with 20.2% in 2024.

33. Operating expenses

Operating expenses are detailed below:

(amounts in thousands of Euro)	twelve months ended December 31 2025	% of net revenues	twelve months ended December 31 2024	% of net revenues
Product design and development costs	160,261	2.8%	158,084	2.9%
Advertising and communications costs	537,198	9.4%	473,095	8.7%
Selling costs	2,206,190	38.6%	2,082,752	38.3%
General and administrative costs	389,388	6.8%	343,211	6.3%
Total	3,293,037	57.6%	3,057,142	56.3%

Operating expenses amounted to Euro 3,293 million, an increase of Euro 235.9 million compared with 2024. The rise was mainly driven by higher variable costs associated with sales growth, together with increases in rental expenses,

personnel expenses, marketing and communication costs and depreciation. The Group also continued its investments in information systems and digital transformation across retail, manufacturing and corporate areas.

The following table sets forth depreciation, amortisation, impairment, personnel expenses and rent expenses (out of scope IFRS 16) included within the operating expenses in accordance with the requirements of IAS 1:

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024
Depreciation, amortisation and impairment on property, plant and equipment and intangible assets	312,258	276,015
Depreciation and impairment of the right of use assets	480,574	458,631
Labor cost	949,949	907,836
Pure variable lease payments	329,093	316,961
Short term and low value lease	25,346	19,649

34. Financial income / (expenses)

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

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024
Interest expenses on borrowings	(15,532)	(19,802)
Interest expenses on post employment defined benefit plan	(718)	(950)
Exchange losses – realized	(3,154)	(2,512)
Exchange losses – unrealized	(4,077)	(7,867)
Other financial expenses	(11,050)	(9,279)
Interest and other financial expenses	(34,531)	(40,410)
Interest and other financial income	24,539	19,206
Interest expenses on lease liabilities	(87,764)	(69,623)
Net financial expenses	(97,756)	(90,827)

Net financial expenses amounted to Euro 97.8 million, an increase of Euro 6.9 million compared with 2024. The change mainly reflects higher interest expense on lease liabilities, partly offset by lower interest on borrowings and higher interest income on bank deposits.

35. Current and deferred taxes

Income taxes recognised in the Consolidated statements of profit or loss may be broken down as follows:

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024
Current taxes	355,591	363,081
Deferred taxes	(10,093)	(18,508)
Income taxes related to Pillar II – top-up tax	864	750
Total	346,362	345,323

Income taxes for the twelve months ended December 31, 2025 totalled Euro 346.4 million, corresponding to an effective tax rate of 28.8% of profit before income taxes.

Based on the Group's best estimate, jurisdictions subject to the Pillar II rules that do not meet any of the Transitional Safe Harbour tests for both tax periods 2025 and 2024 (the *"once out, always out"* rule) resulted in the recognition of a Qualified Domestic Minimum Top-up Tax (QDMTT) accrual of Euro 864 thousand as of December 31, 2025.

The reconciliation between the Group's theoretical tax rate and its effective tax rate for 2025 and 2024 is presented in the table below:

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve mon-ths ended December 31 2024
Group's weighted theoretical tax rate (calculated in absolute values on the basis of subsidiaries' pre-taxable profit)	27.1%	27.9%
Non deductible expenses, net of not taxable income	1.7%	0.8%
Write-off of the deferred tax asset and utilization of tax losses carried forward	0.1%	-0.1%
Prior years taxes adjustments	-0.5%	0.1%
Withholding and other income taxes	0.4%	0.3%
Effective tax rate of the Group	28.8%	29.0%

Deferred tax assets and liabilities

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

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024
Opening balance	365,555	339,116
Exchange differences	(27,718)	3,501
Change in the consolidation scope	6,946	-
Deferred taxes on cash flow hedges reserve recognised in OCI	(5,388)	4,530
Deferred taxes on remeasurement of post-employment benefits recognised in OCI	(332)	(262)
Deferred taxes on restatement effect under IAS 29	(566)	1,451
Other movements	(56)	162
Deferred taxes recognised in profit or loss	10,659	17,057
Closing balance	349,100	365,555

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

(amounts in thousands of Euro)	December 31, 2025		December 31, 2024	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Inventories	267,632	189	259,178	-
Receivables and other assets	3,272	729	3,141	729
Useful life of non-current assets	14,155	14,193	29,414	10,208
Deferred taxes due to acquisitions	-	9,498	-	10,468
Provision for risks / accrued expenses	24,700	324	34,864	2,799
Non-deductible / taxable charges / income	9,869	23	9,827	3,209
Deferred tax assets and liabilities on lease contracts	48,412	2,083	46,978	2,575
Tax loss carryforwards	7,461	-	5,249	-
Derivative financial instruments	-	2,859	3,632	1,115
Long term employee benefits	8,094	1,026	9,215	1,193
Other	8,402	11,973	7,473	11,120
Total	391,997	42,897	408,971	43,416

The tax loss carryforwards as of December 31, 2025, including those already recognised in the Group's consolidated financial statements, are detailed below:

(amounts in thousands of Euro)	December 31 2025
Expiring within 5 years	1,885
Expiring after 5 years	2,811
Available for carryforward with no time limit	110,640
Total tax loss carryforwards	115,336

The Directors updated the deferred tax assets recognised on tax loss carryforwards taking into consideration, for their recoverability, the macroeconomic scenario and the business developments of each of the Group's companies.

36. Earnings and dividends per share

Earnings per share basic and diluted

Earnings per share are calculated by dividing the profit for the year attributable to the owners of Prada S.p.A. by the weighted average number of ordinary shares outstanding.

	twelve months ended December 31 2025	twelve months ended December 31 2024
Profit for the year attributable to the owners of Prada S.p.A. (in Euro)	851,936,397	838,907,132
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	0.333	0.328

Dividends per share

The Board of Directors of the Company has proposed a final dividend of Euro 424,764,784 (Euro 0.166 per share) for the twelve months ended December 31, 2025.

During 2025, the Company distributed dividends of Euro 419,647,136 (Euro 0.164 per share), as approved by the Annual General Meeting held on April 30, 2025 to approve the December 31, 2024 financial statements.

The dividends and the related Italian withholding tax due (Euro 21.8 million), determined by applying the ordinary Italian tax rate to the entire amount of the dividends distributed to the beneficial owners of the Company's shares held through the Hong Kong Central Clearing and Settlement System, were fully paid during the year.

The dividends paid in the past three years are detailed hereunder:

	Financial statements ended December 31 2024	Financial statements ended December 31 2023	Financial statements ended December 31 2022
Total dividends paid (Euro)	419,647,136	350,558,888	281,470,640
Dividends per share (Euro)	0.164	0.137	0.110
Date of approval by Shareholders' Meeting	30/04/2025	24/04/2024	27/04/2023
Date of payment	May 2025	May 2024	May 2023

37. 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:

	twelve months ended December 31 2025	twelve months ended December 31 2024
Production	3,953	3,707
Product design and development	1,061	1,022
Advertising and communications	280	258
Selling	8,922	8,808
General and administrative services	1,273	1,187
Total	15,489	14,982

As headcount, the Group has 17,901 employees as of December 31, 2025 (15,216 as of December 31, 2024).

Employee remuneration

The employee remuneration by business division is presented below:

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024
Production	195,233	181,046
Product design and development	84,705	83,990
Advertising and communications	42,309	39,115
Selling	650,184	633,797
General and administrative services	172,751	150,934
Total	1,145,182	1,088,882

A classification by type of employee remuneration is presented below:

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024
Wages and salaries	851,387	808,326
Post-employment benefits and other long-term benefits	47,935	60,364
Social security contributions	178,584	165,836
Other	67,276	54,356
Total	1,145,182	1,088,882

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

(amounts in thousands of Euro)	December 31 2025	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	1,954,957	A, B, C	1,934,440	16,176	811,147
Cash flow hedge reserve	8,497	-	-	-	-
Distributable amount			2,527,386	16,176	811,147

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

Pursuant to Article 2431 of the Italian Civil Code, the share premium reserve is fully distributable since the amount of the legal reserve is equal to or exceeds 20% of the share capital.
In accordance with Article 7 of Italian Legislative Decree No. 38/2005, Euro 20.5 million of 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 as of December 31, 2025 and December 31, 2024 are listed hereunder:

Currency	Average rate December 31 2025	Average rate December 31 2024	Closing rate December 31 2025	Closing rate December 31 2024
UAE Dirham	4.147	3.975	4.316	3.816
Australian Dollar	1.751	1.640	1.758	1.677
Brazilian Real	6.311	5.821	6.436	6.425
Canadian Dollar	1.578	1.482	1.609	1.495
Swiss Franc	0.937	0.953	0.931	0.941
Czech Koruna	24.699	25.118	24.237	25.185
Danish Kronor	7.463	7.459	7.469	7.458
GB Pound	0.857	0.847	0.873	0.829
Hong Kong Dollar	8.802	8.445	9.146	8.069
Japanese Yen	168.870	163.776	184.090	163.060
Korean Won	1,604.270	1,475.136	1,696.940	1,532.150
Kuwait Dinar	0.346	0.332	0.362	0.320
Kazakhstani Tenge	588.625	507.287	591.680	546.740
Moroccan Dirham	10.546	10.756	10.715	10.510
Macau Pataca	9.070	8.697	9.400	8.304
Mexican Peso	21.680	19.797	21.118	21.550
Malaysian Ringgit	4.834	4.954	4.768	4.645
New Zealand Dollar	1.941	1.788	2.038	1.853
Norwegian Krone	11.721	11.629	11.843	11.795
Philippine Peso	64.904	61.972	69.266	60.301
Qatari Riyal	4.116	3.946	4.287	3.789
Chinese Renminbi	8.114	7.788	8.226	7.583
Romanian Leu	5.041	4.975	5.097	4.974
Russian Ruble	94.537	100.170	96.081	116.562
Saudi Riyal	4.236	4.061	4.409	3.904
Swedish Kronor	11.070	11.431	10.822	11.459
Singapore Dollar	1.475	1.446	1.511	1.416
Thai Baht	37.097	38.192	37.218	35.676
Turkish Lira	44.693	35.538	50.484	36.737
Taiwan Dollar	35.144	34.738	36.932	34.085
Ukrainian Hryvna	47.061	43.451	49.795	43.686
US Dollar	1.129	1.082	1.175	1.039
Vietnamese Dong	28,191.123	26,144.849	29,511.000	25,311.000
South African Rand	20.184	19.841	19.444	19.619

Auditor's compensation

The total fees and expenses recognised to KPMG S.p.A. and its network for auditing the financial statements of the year ended December 31, 2025 and to Deloitte & Touche S.p.A. and its network for auditing the financial statements of the year ended December 31, 2024 and for providing non-audit services are presented below (amounts in thousands of Euro):

Type of service	Audit firm	Provided to	twelve months ended December 31 2025
Audit services	KPMG S.p.A.	Prada S.p.A.	565
Audit services	KPMG S.p.A.	Subsidiaries	480
Audit services (*)	KPMG Network	Subsidiaries	1,278
Total audit fees to KPMG Network			2,323
Audit related services	KPMG S.p.A.	Prada S.p.A.	102
Audit related services	KPMG S.p.A.	Subsidiaries	10
Audit related services	KPMG Network	Subsidiaries	16
Other advisory services	KPMG Network	Subsidiaries	27
Total non-audit fees to KPMG Network			155
Total compensation to KPMG Network			2,478

(*) The amount included the contribution of Versace

Type of service	Audit firm	Provided to	twelve months ended December 31 2024
Audit services	Deloitte & Touche S.p.A.	Prada S.p.A.	550
Audit services	Deloitte & Touche S.p.A.	Subsidiaries	229
Audit services	Deloitte Network	Subsidiaries	1,017
Total audit fees to Deloitte Network			1,796
Other advisory services	Deloitte Network	Prada S.p.A.	150
Other advisory services	Deloitte Network	Subsidiaries	90
Total non-audit fees to Deloitte Network			240
Total compensation to Deloitte Network			2,036

38. Remuneration of the Board of Directors, five highest paid individuals and Key management personnel

Remuneration of Prada S.p.A. Board of Directors for the year ended December 31, 2025:

(amounts in thousands of Euro)	Directors' fees	Salaries	Bonuses and other incentives	Benefits in kind	Pension, healthcare and TFR contrbutions	Total
Patrizio Bertelli	21,152	-	-	-	28	21,180
Paolo Zannoni	5,151	24	-	-	-	5,175
Andrea Guerra	-	1,716	4,025	85	1,813	7,639
Miuccia Prada Bianchi	21,152	-	-	-	28	21,180
Andrea Bonini	-	1,163	744	41	223	2,171
Lorenzo Bertelli	-	309	88	20	90	507
Yoël Zaoui	165	-	-	-	28	193
Ilaria Resta	42	-	-	-	10	52
Cristiana Ruella	160	-	-	-	4	164
Pamela Yvonne Culpepper	165	-	-	-	28	193
Anna Maria Rugarli	190	-	-	-	28	218
Marina Sylvia Caprotti	58	-	-	-	-	58
Total	48,235	3,212	4,857	146	2,280	58,730

The Directors' Fees include both the remuneration approved by the shareholders at the Annual General Meeting and the remuneration approved by the Board of Directors, with the favorable opinion of the Board of Statutory Auditors, for the Directors holding special offices.

The Salaries of Andrea Guerra, Andrea Bonini and Lorenzo Bertelli are inclusive also of their Directors' Fees.

Remuneration of Prada S.p.A. Board of Directors for fiscal year ended December 31, 2024:

(amounts in thousands of Euro)	Directors' fees	Salaries	Bonuses and other incentives	Benefits in kind	Pension, healthcare and TFR contrbutions	Total
Patrizio Bertelli	20,468	-	-	-	28	20,496
Paolo Zannoni	4,953	24	-	-	10	4,987
Andrea Guerra	-	1,685	3,554	58	1,543	6,840
Miuccia Prada Bianchi	20,468	-	-	-	28	20,496
Andrea Bonini	-	1,019	1,421	31	60	2,531
Lorenzo Bertelli	-	304	462	16	53	835
Yoël Zaoui	165	-	-	-	28	193
Marina Sylvia Caprotti	125	-	-	-	-	125
Cristiana Ruella	107	-	-	-	-	107
Pamela Yvonne Culpepper	160	-	-	-	28	188
Anna Maria Rugarli	170	-	-	-	28	198
Maurizio Cereda	50	-	-	-	2	52
Total	46,666	3,032	5,437	105	1,808	57,048

Remuneration of five highest paid individuals

The Group's five highest paid individuals included three Board of Director members for 2025 and three Board Members for 2024. The total remuneration of the remaining two (2024: two) highest paid individuals for the twelve months ended December 31, 2025 is set forth below:

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024
Remuneration and other benefits	17,014	16,727
Bonuses and other incentives	10,865	12,582
Non-monetary benefits	452	413
Pension / social security, healthcare and TFR contributions	321	32
Total	28,652	29,754

Excluding the remuneration of the Board of Directors' members, the remuneration of the highest paid individuals by range of amount is as follows:

	twelve months ended December 31 2025	twelve months ended December 31 2024
Less than HKD 8,000,000	-	-
Between HKD 8,000,000 and HKD 20,000,000	-	-
Between HKD 20,000,000 and HKD 50,000,000	1	1
More than HKD 50,000,000	1	1
Total individuals	2	2

Key management personnel remuneration

The remuneration of the Key management personnel is as follows:

(amounts in thousands of Euro)	twelve months ended December 31 2025	twelve months ended December 31 2024
Remuneration and other benefits	24,793	25,692
Bonuses and other incentives	16,567	24,723
Non-monetary benefits	1,534	1,381
Pension / social security, healthcare and TFR contributions	2,978	3,345
Total	45,871	55,141

There were 26 Key management personnel as of December 31, 2025, and 23 as of December 31, 2024.
The remuneration of the Key management personnel by range of amount is as follows:

	twelve months ended December 31 2025	twelve months ended December 31 2024
Less than HKD 4,000,000	5	3
between HKD 4,000,000 and HKD 8,000,000	11	7
between HKD 8,000,000 and HKD 16,000,000	8	9
between HKD 16,000,000 and HKD 50,000,000	1	3
more than HKD 50,000,000	1	1
Total individuals	26	23

The above table does not include the remuneration of Key management personnel who are also Directors.
The amounts reported in the tables setting forth the remuneration of the Prada S.p.A. Board of Directors, five highest paid individuals and Key management personnel are those recognised in the statement of profit or loss.

39. Related party transactions

The Group carries out transactions with companies classifiable as related parties according to IAS 24, "Related Party Disclosures". In the twelve months ended December 31, 2025, 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.

Consolidated Statement of financial position balances as of December 31, 2025

(amounts in thousands of Euro)	Trade receivables (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 due to related parties – current	Lease liabilities	Other liabilities
Les Femmes S.r.l.	1,401	63	4,817	-	2,607	-	-	-
Filati Biagioli Modesto S.r.l.	28	-	-	-	783	-	-	-
Luigi Fedeli e Figlio S.r.l.	-	-	-	-	2	-	-	-
Spelm Sa	-	-	-	2,212	161	-	1,758	-
Immobiliare Rivalsa S.p.A.	-	(1)	-	42,394	24	-	35,011	-
Ludo Due S.r.l.	-	-	-	-	2,017	-	(49)	-
Peschiera Immobiliare S.r.l.	9	-	-	1,728	98	-	1,522	-
Premiata S.r.l.	-	-	-	-	201	-	-	-
Perseo S.r.l.	-	-	-	-	166	-	-	-
Antica Buca di San Francesco S.r.l.	3	-	-	-	-	-	-	-
Effepi S.r.l.	48	-	-	-	789	-	-	70
Rino Mastrotto Group S.p.A.	-	-	-	-	(122)	-	-	-
Al Tayer Insignia Llc	2,656	-	-	-	592	-	-	-
Stores Specialists Inc.	-	-	-	-	65	18	-	-
Prada Holding S.p.A.	66	-	-	2,907	68	3	2,864	-
Prada RE UK Ltd (*)	-	-		31,349	-	-	30,602	
'720 Fifth USA Llc	-	-	-	36,334	-	-	37,295	-
PH-RE Llc	-	123	-	110,471	-	-	131,462	-
Members of the Board of Directors of Prada S.p.A.	-	-	-	-	-	-	-	11,702
Total as of December 31, 2025	4,211	185	4,817	227,395	7,451	21	240,465	11,772

(*) Prada RE UK Ltd, a subsidiary of Prada Holding S.p.A., in June 2025 acquired the real estate property in London ("Property") which has been leased by Prada Retail UK Limited ("Prada UK"), the Company's wholly-owned subsidiary, since 2010 ("Property Acquisition"). As a consequence, Prada RE UK Ltd automatically succeeded as the lessor of the Property. The right of use asset and lease liabilities amounts are recognized under a lease agreement entered into between the Company, Prada UK and the previous lessor, being an independent third party, prior to the Property Acquisition.

Consolidated Statement of financial position balances as of December 31, 2024

(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 due to related parties – current	Lease liabilities	Other liabilities
Les Femmes S.r.l.	812	7	369	-	1,985	-	-	-
Filati Biagioli Modesto S.r.l.	-	-	-	-	270	-	-	-
Spelm Sa	-	-	-	2,749	-	-	2,818	-
Rubaiyat Modern Lux.Pr.Co. Ltd	-	-	-	-	275	5,569	-	-
Immobiliare Rivalsa S.p.A. (*)	-	5	-	47,740	9	-	39,257	-
Ludo Due S.r.l.	-	-	-	6,641	-	-	7,744	-
Peschiera Immobiliare S.r.l.	12	-	-	4,338	72	-	4,910	-
Premiata S.r.l.	-	-	-	-	220	-	-	-
Conceria Superior S.p.A.	14	-	-	-	1,670	-	-	-
Perseo S.r.l.	-	-	-	-	247	-	-	-
Antica Buca di San Francesco S.r.l.	9	-	-	-	-	-	-	-
Effepi S.r.l.	-	-	-	-	779	-	-	-
Al Tayer Group Llc	-	-	-	-	31	-	-	-
Al Tayer Insignia Llc	1,285	-	-	-	176	2,580	-	-
Store Specialists Inc	141	-	-	-	24	130	-	-
Prada Holding S.p.A.	96	-	-	19	35	-	19	-
PH-RE Llc	-	129	-	139,724	-	-	163,590	-
Members of the Board of Directors of Prada S.p.A.	-	-	-	-	-	-	-	10,285
Total as of December 31, 2024	2,369	141	369	201,211	5,793	8,279	218,338	10,285

(*) 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 assets and lease liabilities amounts are recognised under lease agreements (including remeasurements pursuant to the automatic renewal of an existing lease) entered into between the Company and Immobiliare Rivalsa S.p.A. prior to the Acquisition.

Consolidated Statement of profit or loss transactions for the twelve months ended December 31, 2025

(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.	-	8,739	76	87	-
Filati Biagioli Modesto S.r.l.	-	7,533	91	-	-
Luigi Fedeli e Figlio S.r.l.	-	527	2	-	-
Spelm Sa	-	-	776	-	19
Rubaiyat Modern Lux.Pr.Co. Ltd	-	-	-	-	250
Immobiliare Rivalsa S.p.A. (*)	-	-	5,936	-	887
Ludo Due S.r.l.	-	-	903	-	75
Peschiera Immobiliare S.r.l.	-	28	492	-	26
Premiata S.r.l.	-	94	725	-	-
Conceria Superior S.p.A.	-	8,050	23	-	-
Perseo S.r.l.	-	768	-	-	-
Antica Buca di San Francesco S.r.l.	-	-	(7)	-	-
Effepi S.r.l.	-	4,779	(139)	-	-
Rino Mastrotto Group S.p.A.	-	13	-	-	-
Al Tayer Group Llc	-	-	314	-	-
Al Tayer Insignia Llc	2,905	15	953	-	64
Stores Specialists Inc.	(100)	5	64	-	-
Prada Holding S.p.A.	-	-	43	-	5
Prada RE UK Ltd (*)			2,043		401
'720 Fifth USA LLC	-	-	12,847	-	1,624
PH-RE Llc	-	-	14,489	-	1,376
Total as of December 31, 2025	2,805	30,551	39,631	87	4,727

(*) Prada RE UK Ltd, a subsidiary of Prada Holding S.p.A., in June 2025 acquired the real estate property in London ("Property") which has been leased by Prada Retail UK Limited ("Prada UK"), the Company's wholly-owned subsidiary, since 2010 ("Property Acquisition"). As a consequence, Prada RE UK Ltd automatically succeeded as the lessor of the Property. The right of use asset and lease liabilities amounts are recognized under a lease agreement entered into between the Company, Prada UK and the previous lessor, being an independent third party, prior to the Property Acquisition.

Consolidated Statement of profit or loss transactions for the twelve months ended December 31, 2024

(amounts in thousands of Euro)	Net revenues	Cost of goods sold	General, admin. & selling costs (income)	Interest income	Interest expenses	Royalties
Les Femmes S.r.l.	-	8,577	3	7	-	-
Filati Biagioli Modesto S.r.l.	-	7,589	114	-	-	-
Luigi Fedeli e Figlio S.r.l.	-	910	3	-	-	-
Spelm Sa	-	-	604	-	25	-
Rubaiyat Modern Lux.Pr.Co. Ltd	-	-	-	-	265	-
Immobiliare Rivalsa S.p.A. (*)	-	-	6,023	-	645	-
Ludo Due S.r.l.	-	-	1,091	-	103	-
Peschiera Immobiliare S.r.l.	-	236	641	-	154	-
Premiata S.r.l.	-	96	731	-	-	-
Conceria Superior S.p.A.	31	17,540	211	-	-	-
Perseo S.r.l.	-	802	-	-	-	-
Antica Buca di San Francesco S.r.l.	1	-	(15)	-	-	-
Effepi S.r.l.	-	182	-	-	-	-
Al Tayer Group Llc	-	-	409	-	-	-
Al Tayer Insignia Llc	3,220	-	138	-	145	-
Danzas Llc	-	-	10	-	-	-
Al Sanam Rent a Car Llc	-	-	7	-	-	-
Stores Specialists Inc	-	2,610	140	-	-	20
Prada Holding S.p.A.	-	-	72	-	2	-
PH-RE Llc	-	-	14,940	-	1,549	-
Total as of December 31, 2024	3,252	38,542	25,122	7	2,888	20

(*) 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 assets and lease liabilities amounts are recognised under lease agreements (including remeasurements pursuant to the automatic renewal of an existing lease) entered into between the Company and Immobiliare Rivalsa S.p.A. prior to the Acquisition.

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 transaction 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 twelve months ended December 31, 2025 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 2025 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.

40. Financial trend

(amounts in thousands of Euro)	December 31 2025	December 31 2024(*)	December 31 2023(*)	December 31 2022(*)	December 31 2021(*)
Net revenues	5,717,521	5,431,557	4,726,411	4,200,674	3,365,667
Gross margin	4,592,077	4,336,692	3,801,771	3,312,094	2,547,358
Operating income - (EBIT)	1,323,646	1,279,550	1,061,692	775,990	489,484
Profit for the year att. to the owners of Prada S.p.A	851,936	838,907	671,026	465,193	294,254
Total assets	11,012,937	8,483,906	7,548,998	7,326,285	6,918,406
Total liabilities	6,347,170	4,130,529	3,738,242	3,876,556	3,830,368
Equity attributable to the owners of Prada S.p.A.	4,644,229	4,333,312	3,787,742	3,430,924	3,073,289

(*) Please refer to Note 2 for additional information

41. 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	10	100	Milan	Italy	07/24/2019	Manufacturing
Luna Rossa Challenge S.r.l. (*)	EUR	10	100	Grosseto	Italy	12/01/2021	Management sailing team
Pelletteria Scandicci S.r.l. (*)	EUR	10	100	Terranuova Bracciolini	Italy	08/02/2024	Dormant
GIVI Holding S.r.l. (*)	EUR	10,000	100	Milan	Italy	12/02/2025	Holding
Gianni Versace S.r.l.	EUR	81,864	100	Milan	Italy	12/02/2025	Manufacturing / Services / Distribution / Retail / Trademark
Europe							
Prada Retail UK Ltd (*)	GBP	7,000	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	Vienna	Austria	03/14/1996	Retail
Prada Spain Sl (*)	EUR	240	100	Madrid	Spain	05/14/1986	Retail
Prada Retail France Sas (*)	EUR	12,658	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	3,000	100	Monaco	Principality of Monaco	05/25/1999	Retail
Prada Sa (*)	EUR	31	100	Luxembourg	Switzerland	07/29/1994	Trademarks / Services
Prada Netherlands Bv (*)	EUR	20	100	Amsterdam	Netherlands	03/27/2000	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
Europe							
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	1,104,000	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
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 S.r.l. (*)	EUR	26	100	Falciano	San Marino	04/15/2021	Retail
Prada Norway As (*)	NOK	32	100	Oslo	Norway	09/01/2022	Retail
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
Versace U.K. Ltd	GBP	33,766	100	London	U.K.	12/02/2025	Retail
Versace Belgique Sa	EUR	1,130	100	Brussels	Belgium	12/02/2025	Retail
Versace France Sa	EUR	9,300	100	Paris	France	12/02/2025	Retail
Versace Deutschland Gmbh	EUR	26	100	Frankfurt	Germany	12/02/2025	Retail
Versace Suisse Sa	CHF	3,000	100	Mendrisio	Switzerland	12/02/2025	Retail
Versace Espana S.a.u.	EUR	5,132	100	Madrid	Spain	12/02/2025	Retail
Versace Austria GmbH	EUR	35	100	Vienna	Austria	12/02/2025	Retail
Versace Montecarlo Sam	EUR	150	100	Monaco	Principality of Monaco	12/02/2025	Retail
Versace Czech Sro	CZK	1,000	100	Prague	Czech Republic	12/02/2025	Retail
G. Versace Hellas SA	EUR	10	100	Milan	Greece	12/02/2025	Dormant
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
Prada USA Cafe Corp.	USD	0.001	100	New York	U.S.A.	06/10/2024	Dormant
Post Development Corp. (*)	USD	27,992	100	New York	U.S.A.	02/18/1997	Real Estate
Prada Retail Mexico, S. de R.L. de C.V.	MXN	412,190	100	Mexico City	Mexico	07/12/2011	Retail
Prada Brasil Importação e Comércio de Artigos de Luxo Ltda (*)	BRL	400,000	100	Sao Paulo	Brazil	04/12/2011	Retail
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
Versace USA, Inc.	USD	1,050	100	New York	U.S.A.	12/02/2025	Retail
Versace Canada, Inc.	CAD	2,178	100	Toronto	Canada	12/02/2025	Retail
Versace Do Brasil Importacao e Distrubucao de produtos de vestuario e accessorios Ltda	BRL	47,903	100	Sao Paulo	Brazil	12/02/2025	Dormant

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	HKD	59,500	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	24,000	100	Singapore	Singapore	10/31/1992	Retail
Prada Korea Llc (*)	KRW	11,125,000	100	Seoul	South Korea	11/27/1995	Retail
Prada (Thailand) co Ltd (*)	THB	1,672,000	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 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
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	170,025	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
Versace Asia Pacific Ltd	HKD	378,192	100	Hong Kong	Hong Kong S.A.R., P.R.C.	12/02/2025	Retail
Versace China Ltd (***)	RMB	132,407	100	Beijing	P.R.C.	12/02/2025	Retail
Versace Shanghai Limited (***)	RMB	135,000	100	Shanghai	P.R.C.	12/02/2025	Retail
Versace Macau Ltd	MOP	10,900	100	Macau	Macau S.A.R., P.R.C.	12/02/2025	Retail
Versace Taiwan Co Ltd	TWD	192,100	100	Taipei	Taiwan P.R.C.	12/02/2025	Retail
Versace Malaysia Sdn Bhd	MYR	25,000	100	Kuala Lumpur	Malaysia	12/02/2025	Retail
Versace Singapore Pte Ltd	SGD	2,232	100	Singapore	Singapore	12/02/2025	Retail
Versace Korea Co. Ltd	KRW	1,000,000	100	Seoul	South Korea	12/02/2025	Retail
Versace (Thailand) Co. Ltd	THB	120,000	100	Bangkok	Thailand	12/02/2025	Retail
Versace Australia Pty Limited	AUD	2,261	100	Sydney	Australia	12/02/2025	Retail
Versace Japan Co., Ltd	JPY	90,000	100	Tokyo	Japan	12/02/2025	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	30,000	100	Jeddah	Saudi Arabia	07/02/2014	Retail
Prada Bahrain Wll (*)	BHD	4,675	100	Manama	Bahrain	07/10/2024	Retail
Creek Apartments Ltd	AED	19,253	100	Dubai	U.A.E.	12/02/2025	Real Estate
Other countries							
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

42. Disclosures regarding non-controlling interests

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

December 31, 2025 financial statements (amounts in thousands of Euro):

Company	Group's percentage interest	Local currency	Total assets	Total equity	Net revenues	Profit / (loss)	Dividends paid to non-controlling shareholders
Artisans Shoes S.r.l.	66.7	EUR	43,365	7,697	89,098	1,650	(250)
Prada Emirates Llc	38.7	AED	142,415	13,213	175,551	6,551	-
Prada Middle East Fzco	79	AED	110,858	65,428	106,682	8,654	-
Prada Kuwait Wll	38.7	KWD	27,850	4,949	23,230	(179)	-
Tannerie Limoges Sas (*)	60	EUR	-	-	5,354	(253)	-
Prada Philippines Inc.	60	PHP	6,912	5,821	5,620	207	-

(*) Entity sold in the first semester of 2025, see Note 6

December 31, 2024 financial statements (amounts in thousands of Euro):

Company	Group's percentage interest	Local currency	Total assets	Total equity	Net revenues	Profit / (loss)	Dividends paid to non-controlling shareholders
Artisans Shoes S.r.l.	66.7	EUR	44,773	6,798	77,380	1,381	(250)
Prada Emirates Llc	38.7	AED	167,395	7,825	162,170	8,026	-
Prada Middle East Fzco	79	AED	130,447	64,595	94,802	5,798	-
Prada Kuwait Wll	38.7	KWD	41,521	5,781	24,151	506	-
Prada Saudi Arabia Ltd	75	SAR	51,216	4,601	14,585	(232)	-
Tannerie Limoges Sas	60	EUR	11,626	248	10,747	(17)	-
Prada Philippines Inc.	60	PHP	8,599	6,463	4,128	158	-

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.

43. Events after the reporting date

In February 2026, Prada S.p.A. signed a note purchase agreement for a Euro 300 million US private placement with a 10-year bullet maturity. The transaction was undertaken to refinance and pre-emptively repay in full the bridge term loan associated with the Versace acquisition.

CHAPTER 10

Independent Auditor's Reports

Independent Auditor's Reports

The Independent Auditor's Reports included in this Annual Report are in two different formats taking into account the differences between the International Auditing Standards (ISAs) issued by the International Auditing and Assurance Standard Boards (IAASB) and the auditing standards adopted in the Italian jurisdiction (ISA Italia). Specifically, in accordance with the regulations applicable in Hong Kong, where the Company's shares are listed on the Main Board of the Hong Kong Stock Exchange, the Independent Auditor's report is issued in accordance with ISAs, while in Italy, where the Company is domiciled, the Independent Auditor's report is issued for statutory purposes in accordance with ISA Italia pursuant to art. 14 of Italian Legislative Decree no. 39 of January 27, 2010.

KPMG S.p.A.
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Independent Auditors' Report

To the Shareholders of
Prada S.p.A.

Opinion

We have audited the consolidated financial statements of Prada S.p.A. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and endorsed by the European Union ("IFRS Accounting Standards").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of the financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG S.p.A.
è una società per azioni
di diritto italiano
e fa parte del network KPMG
di entità indipendenti affiliate a
KPMG International Limited,
società di diritto inglese.

Ancona Bari Bergamo
Bologna Bolzano Brescia
Catania Como Firenze Genova
Lecce Milano Napoli Novara
Padova Palermo Parma Perugia
Pescara Roma Torino Treviso
Trieste Varese Verona

Società per azioni
Capitale sociale
Euro 10.415.500,00 i.v.
Registro Imprese Milano Monza Brianza Lodi
e Codice Fiscale N. 00709600159
R.E.A. Milano N. 512867
Partita IVA 00709600159
VAT number IT00709600159
Sede legale: Via Giovanni Battista Pirelli (snc)
20124 Milano MI ITALIA

Recoverability of the carrying amounts of goodwill, property, plant and equipment and right-of-use assets

Key audit matter	Audit procedures addressing the key audit matter
As described in notes 5, 14, 15 and 16 to the consolidated financial statements, the Group recognised goodwill, property, plant and equipment and right-of-use assets of €1,517.9 million, €2,459.2 million and €2,983.6 million, respectively. At each reporting date, the Group tests the carrying amounts of property, plant and equipment and right-of-use assets to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. For impairment testing purposes, assets are grouped into the smallest groups of assets that generate cash inflows from continuing use that are largely independent of other assets or groups of assets ("CGUs"). CGUs are determined based on the organisational structure of the Group. Goodwill acquired in a business combination is allocated to the CGUs or group of CGUs that are expected to benefit from the synergies of the combination and is tested annually or whenever there is an indication of impairment. The recoverable amount of assets or CGUs is the higher of fair value less costs of disposal and value in use, as calculated based on an estimate of the future cash flows expected to derive from the CGUs tested for impairment. For those CGUs with impairment indicators and the Prada and Miu Miu group of CGUs to which goodwill has been allocated, the directors determined the recoverable amount based on the value in use. The recoverable amount of the Versace group of CGUs was assessed based on fair value. As a result of the impairment tests performed as at December 31, 2025, no impairment losses were recognised. Impairment testing is complex and requires a high level of judgement, especially in relation to: • the expected operating cash flows; • the financial parameters used to calculate the discount rate. For the above reasons and due to the materiality of the relevant captions, we believe that the recoverability of goodwill, property, plant and equipment and right-of-use assets is a key audit matter.	Our audit procedures, which also involved our specialists, included: • understanding the process adopted to identify the CGUs that might have been impaired; • understanding the process adopted to prepare the cash flows expected to derive from the CGUs/group of CGUs tested for impairment; • checking any discrepancies between the previous year forecast and actual figures, in order to check the accuracy of the estimation process adopted; • analysing the reasonableness of the expected cash flows and the main assumptions used by the directors to prepare the business plan for impairment testing purposes; • assessing the model used to measure value in use and the reasonableness of the related assumptions, especially in relation to the discount rate, and comparing them to external information, if any; • analysing the methodology used to assess the fair value of the Versace group of CGUs; • assessing the appropriateness of the disclosures provided in the notes.

Other matter

The consolidated financial statements of the Group as at and for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on March 4, 2025.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report 2025, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Milan, March 5, 2026

KPMG S.p.A.

Daniele Urso
Director of Audit

(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Prada Group

Consolidated financial statements as at and for the year ended 31 December 2025

(with independent auditors' report thereon)

KPMG S.p.A.

5 March 2026

KPMG S.p.A.
Revisione e organizzazione contabile
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Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

To the shareholders of
Prada S.p.A.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Prada Group (the "Group"), which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Prada Group as at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Prada S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matters

The Group's 2024 consolidated financial statements were audited by other auditors, who expressed their unqualified opinion thereon on 4 March 2025.

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di diritto italiano
e fa parte del network KPMG
di entità indipendenti affiliate a
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società di diritto inglese.

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Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and endorsed by the European Union and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA Italia will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at the appropriate level required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Opinion and statement pursuant to article 14.2.e)/e-bis)/e-ter) of Legislative decree no. 39/10

The parent's directors are responsible for the preparation of the Group's directors' report at 31 December 2025 and for the consistency of such report with the related consolidated financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to:

- express an opinion on the consistency of the directors' report with the consolidated financial statements;
- express an opinion on the compliance of the directors' report with the applicable law;
- issue a statement of any material misstatements in the directors' report.

In our opinion, the directors' report is consistent with the Group's consolidated financial statements at 31 December 2025.

Moreover, in our opinion, the directors' report has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e-ter) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Milan, 5 March 2026

KPMG S.p.A.

(signed on the original)

Daniele Urso
Director of Audit