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PRADA S.p.A.

Registered office at Via A. Fogazzaro n. 28, Milan, Italy
Registry of Companies of Milan, Monza, Brianza, Lodi (Italy): No. 10115350158
(Incorporated under the laws of Italy as a joint-stock company with limited liability)
(Stock Code: 1913)

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF PROPERTY

The Board is pleased to announce that on December 19, 2023 (New York time), the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entered into the Agreement, pursuant to which the Purchaser purchased, and the Vendor sold, the Property at the Consideration of USD 425 million.

The Purchaser, a wholly-owned subsidiary of the Company, has been leasing the Prada Store in New York from the Vendor since 1997.

As the highest applicable Percentage Ratio in respect of the Acquisition exceeds 5%, but all Percentage Ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company, and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

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THE AGREEMENT

Date

December 19, 2023

Parties

- (1) The Vendor: 724 Fifth Fee Owner LLC
- (2) The Purchaser: PRADA USA Corp.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquires, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Property

Location: 724 Fifth Avenue, New York, USA
Building Type: Mixed use (retail spaces and offices)
Land Area: 5,000 square feet
Gross Building Area: 78,765 square feet
Rentable Area: 68,491 square feet
Stacking Plan: 12 floors above ground plus ground floor plus basement

Consideration and payment terms

The Consideration for the Acquisition of Property is USD 425 million. The Consideration was fully paid in cash upon signing of the Agreement and simultaneous Completion.

Source of funding

The Company has funded the Acquisition through Group's internal resources.

Basis of the Consideration

The Consideration was determined after arm's length negotiations between the Parties on normal commercial terms with reference to, among other things, (i) the location and strategic value of the building, (ii) the current New York property market sentiment for prime locations, and (iii) the terms of the existing lease agreement for the Prada Store. In addition, the Consideration falls in the valuation range of USD 384 million to USD 426 million as determined by independent professional real estate appraisers of primary standing for the Property as at December 6, 2023.

INFORMATION ON THE PARTIES

The Group owns some of the world's most prestigious luxury brands: Prada, Miu Miu, Church's, Car Shoe, the historic Pasticceria Marchesi and Luna Rossa. The Group designs, manufactures and distributes ready-to-wear collections, leather goods and footwear in more than 70 countries through a network of 603 stores (at June 30, 2023) as well as e-commerce channels, selected e-tailers and department stores around the world. The Group also operates in the eyewear, fragrances and cosmetic sector through licensing agreements.

The Purchaser is a wholly-owned subsidiary of the Company and its principal business activity is the management of retail and wholesale activities of the Prada Group in the United States.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquires, the Vendor is principally engaged in owning and managing real estate properties.

REASONS FOR THE ACQUISITION

The Purchaser has been leasing the Prada Store from the Vendor since 1997.

The Board believes that the Property's location offers high strategic value being characterised by increasing scarcity and long-term potential; furthermore, the area in the immediate vicinity of the Property has recently seen an influx of significant investments that have further improved the residential, hospitality and retail appeal.

The Board further believes that the Property represents an attractive opportunity to secure a highly strategic location for the long term.

It is intended that the Property will continue to be used as retail space for the Prada brand, with the added opportunity for office premises and storage for the Group. Currently, it is the intention of the Purchaser to use the Property for its own purposes.

The Directors believe that the Acquisition and the terms of the Agreement including the Consideration are on normal commercial terms, fair and reasonable and in the interests of the Group and the Company's Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable Percentage Ratio in respect of the Acquisition exceeds 5% but all Percentage Ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor pursuant to the Agreement
“Agreement”	the agreement for the sale and purchase of the Property dated December 19, 2023, entered into between the Parties in relation to the Acquisition
“Board”	the Board of Directors
“Company” or “Prada”	PRADA S.p.A., a company incorporated in Italy with limited liability and the shares of which are listed on the Stock Exchange
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Consideration”	the consideration in the sum of USD 425 million paid by the Purchaser to the Vendor for the Acquisition
“Director(s)”	the director(s) of the Company
“Group”	collectively, the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	individual(s) or company(ies) which is independent of and not connected with (within the meaning of the Listing Rules) any member of the Group, the Directors, chief executive and substantial shareholders of the Company and its subsidiaries and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the parties to the Agreement, <i>i.e.</i> the Vendor and the Purchaser

“Percentage Ratio(s)”	shall have the meaning as ascribed to it under Chapter 14 of the Listing Rules
“Prada Store”	five storeys occupying approximately 17,501 square feet in total of the Property, used as Prada brand store in New York
“Property”	a building located at 724 Fifth Avenue, New York, USA
“Purchaser”	PRADA USA Corp., a company incorporated in Delaware with limited liability and a wholly-owned subsidiary of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	US Dollar, the lawful currency of the United States
“Vendor”	724 Fifth Fee Owner LLC, a company incorporated in Delaware with limited liability
“%”	per cent

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

Milan (Italy), December 20, 2023

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