

INSTITUTIONAL REPORT

2019

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COMPANY INFO

Fondazione Prada Largo Isarco 2, 20139 Milan, Italy

Legal status: Foundation

VAT no. and taxpayer's code no. 08963760965

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1. CORPORATE PURPOSE

(Art. 2 of the By-Laws of Fondazione Prada, attached to the Deed of Incorporation)

"[...] Article 2 - Objectives

2.1 The Fondazione is an organisation not for profit, not even indirectly, and pursues the objective of enhancing and promoting culture, art and design in Italy and abroad, including through:

- the study, conservation, cataloguing, census and public display of works held or acquired with particular but not exclusive reference to modern, contemporary (and avant-garde) art, in all its forms and expressions;
- the organisation of museum activities, artistic events, conferences;
- financing and dissemination of publications and monographs;
- dissemination of the knowledge of the authors working in the specific sector.

2.2 In pursuing its objectives, the Fondazione shall operate through the most appropriate methods, initiatives and instruments and may, among other things:

- a) enter into conventions, agreements and/or contracts with Public Administration, public bodies and private subjects, appropriate for the pursuit of its objectives, including, by way of example but not limited to, the assumption of loans and mortgages, short or long-term for financial support of the initiatives resolved, or the purchase, in terms of ownership or surface rights, of real estate;
- b) finance the production and dissemination of audio-visual material (also through its internet site) able to collect texts and images related to institutional activities;
- c) promote and organise seminars, events, meetings and conferences, handling publication of the relative documentation;
- d) organise competitions and disburse prizes and scholarships to authors, critics and scholars on subjects connected to the corporate purpose;
- e) promote any other initiative aimed at encouraging synergy between the Fondazione and the national and international cultural world and the public;
- f) the Fondazione may also carry out economic activities directly connected to those mentioned above, necessary for achievement of the purpose, provided that any surplus is allocated to the implementation of the Fondazione's business purposes.

2.3 The Fondazione may participate in associations, bodies and institutions, public and private, whose activities are directly or indirectly aimed at the pursuit of purposes similar to those of the Fondazione itself.

2.4 Within the scope and in accordance with its business purpose, the Fondazione may, in collaboration with other Foundations, institutions and public and private bodies, carry out any other activity instrumental to the achievement of the purpose. [...]"

2. HISTORY

In 2014, Fondazione Prada was established as a non-profit organisation under Italian law, in order to improve pursuit of the objectives of the previous Dutch entity and optimise management of the exhibition facilities in Milan and Venice.

In May 2015, the permanent headquarters of Fondazione Prada was inaugurated in Milan: designed by the architectural firm OMA headed by Rem Koolhaas, it is the result of transformation of a former industrial complex of 19,000 sqm dating back to the early twentieth century. Its completion in April 2018 with delivery of the "Torre" and "Deposito" brought the total available area to 23,700 sqm.

The Osservatorio was inaugurated in December 2016, the new space of Fondazione Prada dedicated to photography and situated in the historic Galleria Vittorio Emanuele II in Milan.

The Largo Isarco, Osservatorio and Cà Corner della Regina venues have hosted a rich programme of exhibitions and cultural events, allowing the Fondazione to follow and expand its multidisciplinary vocation.

3. ACTIVITIES IN 2019

In 2019, Fondazione Prada presented numerous new projects.

Permanent projects

"Le Studio d'Orphée" (Orpheus' studio) is an atelier, a recording and editing studio, a living and working space that has relocated to the first floor of the Sud gallery. The director decided to transfer the technical material used in his latest films from 2010, as well as furniture, books, paintings and other personal items from his studio-house in Rolle, Switzerland.

In the atelier, the feature film *Le Livre d'image* (The Image Book), 2018 and nine short movies by the director are screened on a television monitor usually employed by Godard as a working tool.

Visitors thus have the unique opportunity to attend the screening of *Le Livre d'image* in the physical place where the film was conceived and realised, in close contact with the creative process at the origin of a cinematographic work. The elements of "Le Studio d'Orphée" are evidence of the artist's role in the construction of his work space and form a spatial and emotional geography within which visitors are invited to live an experience of total discovery.

Exhibition projects

- “Surrogates. Un amore ideale” (Surrogates. An ideal love), by Melissa Harris. The selection of 42 photographic works by Jamie Diamond (Brooklyn, USA, 1983) and Elena Dorfman (Boston, USA, 1965) explores the concepts of familial, romantic and erotic love, through the emotional connection between a man and a woman and an artificial representation of the human being.
- “Whether Line”, large multimedia installation by Lizzie Fitch (USA, 1981) and Ryan Trecartin (USA, 1981). This project is the first result of a creative process undertaken since the end of 2016, through which the two artists examined the concept of “new” promised land and the intrinsic instability of territorial appropriation. The exhibition was presented as an immersive intervention in which visitors had the opportunity to move between constructions that suggested both action and containment, an active state of limbo.
- “Jannis Kounellis”, by Germano Celant. This exhibition is the first vast retrospective dedicated to the artist after his passing in 2017. Developed in collaboration with the Kounellis Archive, the project brought together over 60 works from 1959 to 2015, from museums and important private collections in Italy and abroad. The show explores the artistic and exhibition history of Jannis Kounellis (Piraeus 1936 – Rome 2017), establishing a dialogue between his works and the eighteenth-century spaces of Ca’ Corner della Regina.
- “The Sarcophagus of Spitzmaus and other treasures”, exhibition project conceived by Wes Anderson and Juman Malouf, in collaboration with the Kunsthistorische Museum of Vienna. This exhibition features 538 artworks and objects selected by the film director and the illustrator, exploring the reasons behind the decision to create a collection and ways in which collections are safeguarded, presented and experienced, challenging the traditional canons and proposing new relations.
- “Training Humans”, conceived by Kate Crawford, professor and researcher in the field of artificial intelligence, and Trevor Paglen, artist and researcher. The exhibition is the first major photography exhibition devoted to training images: the collections of photos used by scientists to train artificial intelligence (AI) systems in how to “see” and categorise the world.

Other projects

- “Soggettiva Nicolas Winding Refn”, fourth chapter of “Soggettiva” by Nicolas Winding Refn, was “a cinematographic voyage through the rare and unknown”. The cinematographic programme, subtitled Expressway Milano, promoted 13 American films rediscovered thanks to the online web platform byNWR.
- “Soggettiva Pedro Almodóvar”, fifth chapter by Pedro Almodóvar, presented 8 Spanish films and was accompanied by a programme that included 9 feature films created by the director from 1983 to 2004 and 4 films produced by El Deseo, production house founded by Pedro and Agustín Almodóvar. The director was present at the special screening of his new film Dolor y Gloria, participating in the official competition at the 72nd Festival of Cannes.
- “I Want To Like You But I Find It Difficult”, second edition of the musical programme curated by Craig Richards, consists of a series of three events in the external spaces of Fondazione Prada’s premises. The musical project is an attempt to explore a wide range of genres and languages, hosting international music performers such as Andrea Belfi,

Biosphere, Colleen, Floating Points, Helena Hauff, Maarja Nuut & Ruum, object blue, Pole, Ben UFO, and Craig Richards.

- "The Movies" is the first complete retrospective of films by Ryan Trecartin, accompanying the exhibition project "Whether Line", which offers the public the opportunity to see all of the works in a cinema context, subdivided into three programmes in chronological order.

- "Entrata di emergenza", choreographic project conceived by Elie Tass for the Deposito spaces and developed in collaboration with Civica Scuola di Teatro Paolo Grassi in Milan, involved 15 dancers who explored the dialectic between our inside and the outside, two physical and mental environments mutually driving each other within a single unified space.

- "Soggettiva John Baldessari", sixth chapter curated by John Baldessari (National City, California, 1931), included a selection of 11 titles selected by the artist, tracing a parallel and personal story of a key genre of Hollywood cinema, the thriller, encompassing a broad spectrum of often-divergent narrative solutions and aesthetic visions.

- In addition to the "Soggettiva" series, which proposed films selected by important personalities in the world of art and culture, the Fondazione's Cinema proposed "Indagine", the section that brought together premieres and films not yet distributed in Italy, and "Origine", which presented films of the past restored and proposed once again for their historic and current relevance.

Accademia dei Bambini, the project by Fondazione Prada specifically created for children, is also active on the weekends. It proposes free activities together with laboratory workshops conducted by various masters: botanists, architects, educators, artists, scientists and directors.

Collaborations with Prada

- "What Was I?", exhibition project conceived by artist Goshka Macuga at Prada Rong Zhai in Shanghai, proposed a kaleidoscopic journey in the post-Anthropocene epoch, after the collapse of humankind due to the effects of technological over-development. The protagonist of this unexpected voyage is an android created by Macuga and produced in Japan by A Lab for the exhibition presented in 2016 at the Milan venue of Fondazione Prada.

- "Rear Windows", exhibition by artist Li Qing, curated by Jérôme Sans, was proposed as an immersive project, conceived as a site-specific installation and an in-depth exploration of the history and areas of Prada Rong Zhai, creating a connection between the past and current urban environment of Shanghai. Inspired by the iconic movie by Alfred Hitchcock (The Rear Window, 1954), the project was conceived as a series of scenes to experiment the act of seeing, of being seen or observed.

The exhibition and cultural activities were also accompanied by a rich editorial activity, with the publication of monographic catalogues on the exhibits "Jannis Kounellis", "Whether Line Lizzie Fitch | Ryan Trecartin" and "Wes Anderson | Juman Malouf: The Sarcophagus of Spitzmaus and other treasures", as well as the publication of smaller volumes (the "Quaderni") for projects "#22 Haunted House", "#23 Surrogates: An ideal love", "#24 Soggettiva Nicolas Winding Refn", "#25 Soggettiva Pedro Almodóvar" and "#26 Training Humans".

The production of t-shirts linked to the exhibition was also launched for the projects “Whether Line”, “The Sarcophagus of Spitzmaus and other treasures” and “Training Humans”. All concepts were implemented in collaboration with the artists.

4. FUTURE ACTIVITIES (POLICY PLAN)

During the two-year period 2020-2021, Fondazione Prada intends to continue to pursue its social goals through the conception and production of innovative cultural projects in all fields of contemporary culture, from the visual arts to the performing arts, and from cinema to architecture.

On the management side, the Fondazione has initiated a reorganisation process aimed at improving its ability to finance the cultural projects promoted.

Through more effective communication and promotion of its activities to the public, it aims to increase the volume of visitors, with a consequent increase in revenues from ticketing and related services. In addition, marketing activities are being developed with a view to increasing revenues from sponsorships and from use of the areas by private entities.

An increase in the Fondazione’s ability to self-finance, in conjunction with the current policies to rationalise overhead costs in order to free up resources for cultural projects, aim to make its capacity to contribute to cultural and social development increasingly significant. The following paragraphs will illustrate the projects which the Fondazione intends to promote in this respect.

Any profits generated by the aforementioned activities will increase the Fondazione’s capital and will be reinvested in the cultural activities it promotes.

During 2020, in addition to the conclusion of several projects that began in 2019 - “The Sarcophagus of Spitzmaus and other treasures” and “Training Humans” - Fondazione Prada intends to continue to pursue its experimental vocation.

Exhibition projects

- “Storytelling”, solo show by Chinese painter Liu Ye, curated by Udo Kittelmann, in which literature, history of art and popular culture from the Western and Eastern hemispheres are sources of inspiration for the artist’s intimate and sensual imagination, giving rise to atmospheres which evoke introspection, purity and suspension. Inaugurated for the first time at Prada Rong Zhai in Shanghai in 2018, the exhibition project was held in Milan and includes a selection of 35 paintings from 1992 onwards.

- “The Porcelain Room”, exhibition curated by Jorge Welsh and Luísa Vinhais, which explores the historical context, scope and impact of Chinese export porcelain. On the 4th floor of the Torre, the exhibition showcases over 1,700 pieces of Chinese export porcelain. The project brings together porcelain samples created between the 16th and 19th centuries for various markets and social and religious groups, demonstrating the ability of Chinese craftsmen to respond to the demands and tastes of each market segment.

- “K” presents the famous work by Martin Kippenberger, The Happy End of Franz Kafka’s “Amerika”, exhibited in Italy for the first time, interacting with the iconic Orson Welles film

The Trial and the electronic music album The Castle by Tangerine Dream. Conceived by Udo Kittelmann as a trilogy, the exhibition refers to three unfinished novels by Franz Kafka (1883-1924): Amerika (America), Der Prozess (The Trial) and Das Schloss (The Castle), published posthumously between 1925 and 1927. The incomplete nature of these books permits multiple and open interpretations and their adaptation to an exhibition project, which explores the subjects and atmospheres of the books through allusions and subjective interpretations.

Other projects

A digital communication programme broken down as follows was conceived and implemented:

- "Glossary": Fondazione Prada critically explores its archive. Through a list of several key concepts, a possible "glossary" of the foundation is created, to analyse its history and identity.
- "Inner Views" replaces the physical visit of the three open exhibitions, "The Porcelain Room", "Storytelling" and "K", with a virtual experience of learning and knowledge.
- "Outer Views": the foundation broadens its vision to what takes place outside of its premises. In particular, it documents the scientific and exhibition contribution provided by major works of the Prada Collection, on loan to institutions and international museums.
- "Perfect Failures", review conceived by Fondazione Prada and MUBI, available from 5 April on the online streaming platform of auteur films.
- "Accademia Aperta" (Open Academy), video project by Accademia dei Bambini, covering the workshops held by the "masters" (architects, educators, artists, scientists, directors and musicians) over the last 5 years.
- "Readings", new editorial initiative that envisages the creation of podcasts that can be downloaded from a platform linked to the foundation's web site. The Italian public can listen, free of charge, to readings of excerpts of texts from books published by the foundation from 2012 to the present.

The web site (fondazioneprada.org) and the social media channels of the Fondazione (Instagram, Facebook, Twitter, Vimeo and Youtube) thereby become a laboratory of ideas, an agile platform in which to test new formats and codes that may lead to ulterior future developments.

In the meantime, two curatorial proposals have been developed to complement the digital communication strategy:

- "Love stories. A Sentimental Survey by Francesco Vezzoli". Francesco Vezzoli resumes his reflection of the formats through which social media describe reality and emotions, and chooses to imagine a new emotional analysis of the current state of mind, social media and specifically Instagram. Rethinking the Pasolini model of inquiry into the social fabric, in classics like Comizi d'Amore, as well as in Comencini's L'amore in Italia, Vezzoli now aims to create a survey narrative on desire. The project aims to ask questions, subdivided into 10 topic clusters inspired by the world of opera, to the public of Fondazione Prada, through Instagram stories. The answers will be commented on by personalities from the world of culture, fashion and social networks, in a brief form that can be published as a video story

and/or as a post on FP's Instagram channel, to transform social media into a platform for an online conference.

- "Finite Rants. Vision by". Through the commissioning and production of a series of short-lived video contributions, the project is an experimentation aimed at questioning the syntax of the visual essay, aiming to give this form of expression the status of an autonomous discipline and removing its ancillary status compared to other more consolidated forms. By emphasising the role of sensitive knowledge linked to visual perception, these contributions will analyse topics usually foreign to the world of cultural institutions and museums, with the intent of overcoming the structural delay of exhibition projects that address current events by taking the place of information apparatus, rather than merely following its agenda. Finite Rants therefore addresses topics of common interest related to the contemporary world, to express a vision or a poem through the editing and post-production of different visual images and materials, in collaboration with authors, artists and directors.

Lastly, the "Human Brains" project was launched, a multi-disciplinary journey dedicated to studies of the brain, with a three-year programme of exhibitions, public meetings and editorial initiatives between November 2020 and November 2022.

During 2021, Fondazione Prada will be engaged in organising collective and personal exhibitions by international artists. The regular activities in the field of cinema, music and didactics will also continue.

The Human Brains project will be dedicated to a major international conference in the field of neurodegenerative diseases, accompanied by a related exhibition.

5. ORGANISATION

Fondazione Prada is administered by a Board of Directors comprising 6 members, while an auditor is responsible for checking that the accounts are properly kept and for monitoring financial management.

Fondazione Prada involves a wide range of subjects, artists, curators and scholars in its programmes, and their contributions give rise to ideas and projects that will be implemented over time or become part of an archive to be consulted and developed.

Fondazione Prada employs 33 staff members who, based on skills, experience and knowledge, cover the various areas of activity and cooperate in the realisation of projects and events. Personnel is engaged in cultural and artistic planning and, to a lesser extent, in technical and administrative aspects. Staff of the artistic department transforms the projects of artists and curators into action, fostering relations with them and with other museums and cultural institutions; with stand fitters and technicians for implementation of the exhibitions; with graphic designers and authors for the realisation of editorial and promotional materials. All in accordance with the methods and guidelines approved by the Board of Directors.

Visitor assistance is provided by a specialised cooperative whose highly trained staff is in charge of both ensuring the safety of the exhibits and interacting with visitors, providing them with information on the current exhibitions.

The museum's ticket office, the main place where visitors are welcomed, is responsible for issuing tickets and selling catalogues to the public, as well as for providing initial information on the access routes to the exhibition areas. Along the route, visitors will find racks containing guides that briefly introduce the themes of the exhibitions or describe the areas where activities are planned.

Information on openings and exhibitions is advertised through digital and paper means at the Foundation's premises, as well as through the website and external press, digital and promotional communication activities.

6. MEMBERS OF THE BOARD OF DIRECTORS

Miuccia Prada, Chairperson and Executive Director

Carlo Mazzi, Deputy Chairman

Giò Marconi, Non-Executive Director

Massimo Sterpi, Non-Executive Director

Cristian Valsecchi, Executive Director

Astrid Regina Welter, Executive Director

By-Laws of Fondazione Prada, Art. 6.4 - The office of Director is held without remuneration, without prejudice to the reimbursement of expenses and advances regarding activities of the Fondazione.

7. SUMMARY OF FINANCIAL STATEMENTS
31.12.2019

<i>Statement of Financial Position</i>	<i>(Euro)</i>
Non-current assets	532.680
Net Working Capital	517.287
Other current assets/(liabilities), net	517.287
Other non-current assets/(liabilities), net	-433.762
Net Invested Capital	1.049.967
Net Equity	616.205
Net Financial Position	87.836
Net Equity and Net Financial Position	704.041

<i>Profit or Loss</i>	<i>(Euro)</i>
Net revenues	25.233.570
Operating expenses	22.030.725
Labour cost	2.720.725
Depreciation & Amortisation	102.434
EBIT	379.686
Financial income/(expenses)	-48.845
Result before taxation	330.841
Taxes	156.791
Net income/(expenses)	174.050

Revenues from sales and services of the core business come from the sale of tickets and guided tours and from the sale of catalogues and promotional material.

Considerable revenues are also earned from sponsorship contracts.

Revenues from core business are charged to the Income Statement at the time of transfer of ownership (upon issue of admission tickets and delivery of catalogues and promotional material) or upon implementation of the service (with the billing of guided tours).

Fondazione Prada did not receive any donations during the year.

In 2019, revenues strictly related to the cultural activity of Fondazione Prada recorded an increase of 23.7%, reflecting its considerable success with the public and appreciation of the exhibitions held.

From the cost standpoint, variable costs are essentially related to the production and realisation of cultural exhibitions and to the editorial research and publication of catalogues

connected to the exhibition content. Fixed costs, on the other hand, are mostly related to management and maintenance of the space based on efficiency and cost-effectiveness criteria.

In particular, costs relating to the production of cultural content (exhibitions, conferences and catalogues) account for 47% of operating expenses, while maintenance costs account for 53%.

Costs for the use of third-party assets (lease agreements and equipment rental fees) represent 28% of the total operating expenses, as Fondazione Prada does not own the exhibition venues.

For this reason, no investments are made on the building and Fondazione Prada bears only the ordinary maintenance costs.

No costs were incurred for fundraising campaigns.

Labour costs account for 11% of total costs: Fondazione Prada's staff is subdivided by functional area (management, administration finance and control, operations, general secretary, press office and works collection) and cultural project area (research and publications, exhibition design and production, children's academy).

No costs were incurred for the Board of Directors.

Depreciation and amortisation costs account for 0.4% of total costs and are mostly related to the depreciation of electronic machinery (computers) and furniture for the bookshop space.

The year 2019 closed with a higher profit than the previous year, thanks to growing revenues from an increased offer of services, which was not reflected in a proportional increase in costs, due to increasingly targeted and proactive management.

2018

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Since May 2015, the various venues have hosted a rich programme of exhibitions and cultural events, allowing the Fondazione to follow and expand its multidisciplinary vocation.

3. ACTIVITIES IN 2018

In 2018, Fondazione Prada presented numerous new projects.

Exhibition projects

- "Post Zang Tumb Tuuum. Art Life Politics: Italia 1918–1943," conceived and curated by Germano Celant, is an exhibition that explores the world of art and culture in Italy in the period between the two world wars, starting from research and from the analysis of historic documentation and photographs to reconstruct the spatial, social and political contexts in which the works of art were created, exhibited, experienced and interpreted by the public at the time.

- "Torbjørn Rødland: The Touch That Made You" is a project conceived and initially presented by Serpentine Galleries in London, curated by Hans Ulrich Obrist and Amira Gad. The project brought together a selection of over 40 photographic artworks and 3 videos realised between 1999 and 2016 by Norwegian artist Torbjørn Rødland.

- "The Next Quasi-Complex", exhibition by German artist John Bock, proposed the unique practice of the artist, who alongside sculpture and the site-specific installation freely employs performative elements such as "When I'm Looking into the Goat Cheese Baiser", performance with the artist and actors Lars Eidinger and Sonja Viegner.

- "Slight Agitation 4/4: Laura Lima", the fourth and last chapter of the exhibition project conceived by the Fondazione Prada Thought Council. With the project "Horse Takes King",

Laura Lima presented an eccentric experiment in which she attempted to distort the senses that determine our perception, installing three large sculptures in the spaces of the Cisterna.

- "Machines à penser", curated by Dieter Roelstraete, is a project that explored the correlation between the conditions of exile, escape and retreat and the physical or mental places which favour reflection, thought and intellectual production, focusing on three major philosophers of the 20th century: Theodor W. Adorno, Martin Heidegger and Ludwig Wittgenstein.

- "The Black Image Corporation" by artist Theaster Gates, in the areas of the Osservatorio, explored the fundamental legacy contained in the Johnson Publishing Company archives, a collection of over four million images that have contributed to shaping the aesthetic and cultural codes of the contemporary African American identity.

- "Sanguine. Luc Tuymans on Baroque", curated by Luc Tuymans and organised in collaboration with M KHA (Museum of Contemporary Art of Antwerp), KMSKA (Museum of Fine Arts of Antwerp) and the City of Antwerp, is a project proposed in a new and more extensive version, following its initial presentation in Antwerp, with over 80 works by 63 international artists. Tuymans evaded the traditional notion of the Baroque and invited viewers to reconsider 17th century art, as well as contemporary art, by placing artists and their role in society in the limelight.

The project by Fondazione Prada at Largo Isarco 2 was completed with the opening of the "Torre" in 2018. The six exhibition levels have hosted the "Atlas" project, created from a dialogue between Miuccia Prada and Germano Celant, gathering the works of the Prada Collection in a succession of spaces that welcome solos or comparisons, created based on similarities or contrasts, between artists such as Carla Accardi and Jeff Koons, Walter De Maria, Mona Hatoum and Edward Kienholz and Nancy Reddin Kienholz, Michael Heizer and Pino Pascali, William N. Copley and Damien Hirst, John Baldessari and Carsten Höller. The Collection now has a permanent exhibition space in the Torre. The sixth and seventh floors of the building accommodate Ristorante TORRE, managed by "Marchesi", with walls adorned by works of art, including artist's dishes created specifically for the restaurant.

Other projects

- "Reasons to Be Cheerful" by David Byrne, project on the topic of hope, curated by the artist himself, presented at Fondazione Prada's Cinema in Milan and linked to the release of his new album American Utopia.

- "Music for Slight Agitation 3/4: Gelitin", concert conceived by Ricciarda Belgiojoso in dialogue with POKALYPSEAPOKALYPSE-OKALYPSEAP, the site-specific project by the Austrian collective Gelitin for the third chapter of "Slight Agitation".

- "I Want To Like You But I Find It Difficult", musical project by English artist Craig Richards, conceived as a series of three appointments.

- "Artists under the big top: perplexed 2018-1968 (with new films)", programme of films conceived by Alexander Kluge, as part of the exhibition "Machines à penser", at Ca' Corner della Regina.

- "Soggettiva Theaster Gates", film project that includes 9 films selected by the Theaster Gates artist and scholar, in occasion of his exhibit The Black Image Corporation, in the Osservatorio space.
- "Soggettiva Luc Tuymans", film project organised in collaboration with CINEMATEK - Royal Belgian Film Archive of Brussels and conceived by artist Luc Tuymans, curator of the exhibition "Sanguine. Luc Tuymans on Baroque".
- In addition to the "Soggettiva" series, which propose films selected by important personalities in the world of art and culture, the Fondazione's Cinema proposed "Indagine", the section that brings together premieres and films not yet distributed in Italy, and "Origine", which presents films of the past restored and proposed once again for their historic and current relevance.

The exhibition and cultural activities were also accompanied by a rich editorial activity, with the publication of monographic catalogues on the exhibits "Post Zang Tumb Tuuum. Art Life Politics: Italia 1918-1943", "Machines à penser", "The Black Image Corporation" and "Sanguine. Luc Tuymans on Baroque", as well as the publication of smaller volumes (the "Quaderni") for projects "#17 Torbjørn Rødland: The Touch That Made You", "#18 Slight Agitation", "#19 Driftwood", "#20 John Bock: The Next Quasi-Complex" and "#21 The Black Image Corporation".

4. FUTURE ACTIVITIES (POLICY PLAN)

During the two-year period 2019-2020, Fondazione Prada intends to continue to pursue its social goals through the conception and production of innovative cultural projects in all fields of contemporary culture, from the visual arts to the performing arts, and from cinema to architecture.

On the management side, the Foundation has begun a reorganisation process aimed at improving the communication and operational flows of all its activities.

Over the next two years, the Foundation will aim to introduce new management control systems aimed at systematising standard procedures in order to facilitate and speed up processes, optimising both time and resources.

The Foundation has also launched a series of initiatives aimed at strengthening its organisational structure. In the fundamental belief that special attention must be paid to the development of human resources and to a better organisation of work, a survey of the specific work situation will be organised, conducting a climate analysis that is key for improving the potential of the Foundation and of the people who work there.

More effective internal communication of the roles and responsibilities of each area will be implemented through updating and sharing of the job descriptions and of the corporate structure. These activities will lead to greater organisational awareness, a benefit for functioning of the entire system.

This will allow the Foundation to increase its performance in terms of effectiveness and efficiency and increasingly devote its energies to the experimental vocation of developing its core activity, i.e. cultural production.

Improving the Foundation's organisational capacity will also enhance its ability to contribute to the cultural and social development of the territory. The following paragraphs illustrate the projects that the Foundation intends to promote in this respect.

Any profits arising from the aforementioned activities will be allocated towards increasing the Foundation's assets for reinvestment in the cultural activities it promotes.

During 2019, in addition to the conclusion of several projects that began in 2018 - "The Black Image Corporation" and "Luc Tuymans on Baroque" - Fondazione Prada intends to continue to pursue its experimental vocation.

Exhibition projects

- "Surrogates. An ideal love", by Melissa Harris, in the Osservatorio headquarters, through a selection of 42 photographic works by Jamie Diamond (Brooklyn, USA, 1983) and Elena Dorfman (Boston, USA, 1965), explores the concepts of love and the emotional connection between a man and a woman and an artificial representation of the human being.

- "Whether Line", large multimedia installation in the headquarters of Largo Isarco, by Lizzie Fitch (USA, 1981) and Ryan Trecartin (USA, 1981), the first result of a creative process undertaken since the end of 2016, through which the two artists examine the concept of "new" promised land and the intrinsic instability of territorial appropriation.

- "The Sarcophagus of Spitzmaus and other treasures", by Wes Anderson and Juman Malouf, is a project in collaboration with the Kunsthistorische Museum of Vienna and aims to be an ideal representation of the collection of the Habsburgs, as well as a reflection on museums from the point of view of artists-curators.

- "Training Humans", project by Trevor Paglen (artist) and Kate Crawford (researcher), is the first large photographic exhibit dedicated to training images: repertoires of photographs used to teach artificial intelligence (AI) systems how to "see" and classify the world.

Other projects

- "Soggettiva Nicolas Winding Refn", subtitled "Expressway Milano", the fourth chapter of "Soggettiva", involves director Nicolas Winding Refn and his innovative web platform byNWR for "a cinematographic voyage through the rare and unknown" through 13 American films subdivided into 4 volumes.

- "I Want To Like You But I Find It Difficult", second musical project by English artist Craig Richards, divided into three appointments.

- "Soggettiva Pedro Almodóvar"

Lastly, in occasion of the 58th Art Biennale, Fondazione Prada proposes in its Venice location the exhibition project "Jannis Kounellis", by Germano Celant. This exhibition is the first vast retrospective dedicated to the artist after his passing in 2017. Developed in collaboration

with the Kounellis Archive, the project brings together 70 works from 1958 to 2016, from museums and important private collections in Italy and abroad.

During 2020, Fondazione Prada will be engaged in the organisation of collective and solo exhibitions of international artists, as well as an extensive research exhibition on cultural international production.

The regular activities in the field of cinema, music and didactics will also continue.

5. ORGANISATION

Fondazione Prada is administered by a Board of Directors comprising 6 members, while an auditor is responsible for checking that the accounts are properly kept and for monitoring financial management.

In May 2018, a General Manager was appointed to oversee management and the various functions of the Foundation across all areas of activity.

Fondazione Prada involves a wide range of subjects, artists, curators and scholars in its programmes, and their contributions give rise to ideas and projects that will be implemented over time or become part of an archive to be consulted and developed.

Fondazione Prada employs 31 staff members who, based on skills, experience and knowledge, cover the various areas of activity and cooperate in the realisation of projects and events. Personnel is engaged in cultural and artistic planning and, to a lesser extent, in technical and administrative aspects. Staff of the artistic department transforms the projects of artists and curators into action, fostering relations with them and with other museums and cultural institutions; with stand fitters and technicians for implementation of the exhibitions; with graphic designers and authors for the realisation of editorial and promotional materials. All in accordance with the methods and guidelines approved by the Board of Directors.

Visitor assistance is provided by a specialised cooperative whose highly trained staff is in charge of both ensuring the safety of the exhibits and interacting with visitors, providing them with information on the current exhibitions.

The museum's ticket office, the main place where visitors are welcomed, is responsible for issuing tickets and selling catalogues to the public, as well as for providing initial information on the access routes to the exhibition areas. Along the route, visitors will find racks containing guides that briefly introduce the themes of the exhibitions or describe the areas where activities are planned.

Information on openings and exhibitions is advertised through digital and paper means at the Foundation's premises, as well as through the website and external press, digital and promotional communication activities.

6. MEMBERS OF THE BOARD OF DIRECTORS

Miuccia Prada, Chairperson and Executive Director
 Carlo Mazzi, Deputy Chairman
 Giò Marconi, Non-Executive Director
 Massimo Sterpi, Non-Executive Director
 Cristian Valsecchi, Executive Director
 Astrid Regina Welter, Executive Director

By-Laws of Fondazione Prada, Art. 6.4 - The office of Director is held without remuneration, without prejudice to the reimbursement of expenses and advances regarding activities of the Fondazione.

7. SUMMARY OF FINANCIAL STATEMENTS

31.12.2018

<i>Statement of Financial Position</i>	<i>(Euro)</i>
Non-current assets	553.387
Net Working Capital	252.001
Other current assets/(liabilities), net	-3.028.053
Other non-current assets/(liabilities), net	2.957.893
Net Invested Capital	3.064.809
Net Equity	442.155
Net Financial Position	805.388
Net Equity and Net Financial Position	1.247.543
<i>Profit or Loss</i>	<i>(Euro)</i>
Net revenues	28.315.462
Operating expenses	25.605.849
Labour cost	2.412.541
Depreciation & Amortization	91.367
EBIT	205.705
Financial income/(expenses)	-109.708
Result before taxation	95.997
Taxes	- 67.190
Net income/(expenses)	28.807

Revenues from sales and services of the core business come from the sale of tickets and guided tours and from the sale of catalogues and promotional material.

Considerable revenues are also earned from sponsorship contracts.

Revenues from core business are charged to the Income Statement at the time of transfer of ownership (upon issue of admission tickets and delivery of catalogues and promotional material) or upon implementation of the service (with the billing of guided tours).

Fondazione Prada did not receive any donations during the year.

In 2018, revenues strictly related to the cultural activity of Fondazione Prada recorded an increase of 49,2%, reflecting its considerable success with the public and appreciation of the exhibitions held.

From the cost standpoint, variable costs are essentially related to the production and realisation of cultural exhibitions and to the editorial research and publication of catalogues connected to the exhibition content. Fixed costs, on the other hand, are mostly related to management and maintenance of the space based on efficiency and cost-effectiveness criteria.

In particular, costs relating to the production of cultural content (exhibitions, conferences and catalogues) account for 62% of operating expenses, while maintenance costs account for 38%.

Costs for the use of third-party assets (lease agreements and equipment rental fees) represent 19% of the total operating expenses, as Fondazione Prada does not own the exhibition venues.

For this reason, no investments are made on the building and Fondazione Prada bears only the ordinary maintenance costs.

No costs were incurred for fundraising campaigns.

Labour costs account for 8,6% of total costs: Fondazione Prada's staff is subdivided by functional area (management, administration finance and control, operations, general secretary, press office and works collection) and cultural project area (research and publications, exhibition design and production, children's academy).

No costs were incurred for the Board of Directors.

Depreciation and amortisation costs account for 0,3% of total costs and are mostly related to the depreciation of electronic machinery (computers) and furniture for the bookshop space.

The 2018 year-end result was in line with the previous year, in which the increase in revenues due to a higher range of services resulted in an increase in proportional costs, thanks to increasingly targeted and proactive management.

2017

INSTITUTIONAL REPORT 2017

COMPANY INFO

Fondazione Prada Largo Isarco 2, 20139 Milan, Italy

Legal status: Foundation

VAT no. and taxpayer's code no. 08963760965

Dutch tax identification number: 8255.33.570

Telephone +39.02.56662611

Fax +39.02.56662601

email: amministrazione@fondazioneprada.org

1. CORPORATE PURPOSE

(article 2 of the statute governing Fondazione Prada attached to the company charter or constitutive act)

"[...] Article 2 – Objectives

2.1 The Fondazione is a non-profit (including indirect profit) enterprise, dedicated to developing and increasing the value of culture, art and design in Italy and abroad, including through: the study, conservation, cataloguing, enumeration and exhibition for the general public artworks held or acquired with specific, but not exclusive reference to modern art, contemporary (or avant-garde) art in every form and expression; the organization of museum activities, art shows, conventions; financing and publishing exhibition catalogues, volumes and monographs; increasing awareness and knowledge of artists working in this specific field.

2.2 In order to achieve its aims, the Fondazione employs the most appropriate initiatives and tools, and can, among other activities:

- a) stipulate agreements, pacts and/or contracts with governments, government agencies and private entities that are useful for pursuing its aims, including (non-binding and used merely as an example) the assumption of loans and mortgages, both short- and long-term, in order to provide financial support for the Fondazione's chosen initiatives, i.e. the purchase, as ownership or property rights, of real estate;
- b) finance the production and audiovisual distribution (including through its own website) designed to collect texts and images relevant to institutional activities;
- c) promote and organize seminars, shows, meetings and conventions, overseeing publication of relevant documents;
- d) organize competitions and distribute prizes and/or study grants to artists, critics and scholars for materials connected with the institution's goals;
- e) promote any other initiative aimed at favoring synergetic relationships between the Fondazione and the world of both national and international culture, as well as the general public;

f) the Fondazione can also conduct economic activities directly connected with those aforementioned, necessary for achieving its aims, as long as any and every management surplus is earmarked for achieving the Fondazione's institutional goals.

2.3 The Fondazione can participate in associations, entities and institutions both public and private, the activities of which are either directly or indirectly designed to achieve objectives analogous to those of the Fondazione.

2.4 Within and in accordance with its institutional purpose, the Fondazione may, in collaboration with other foundations, institutions and public or private entities, conduct any other activity designed to help it achieve its aims. [...]"

2. HISTORY

Fondazione Prada, a non-profit entity governed by Italian law, was established over the course of 2014 in order to improve realization of the objectives of the previous institution (governed by Dutch law), as well as optimize management and oversight of the Milan and Venice exhibition complexes.

In May 2015 the permanent headquarters of Fondazione Prada was inaugurated in Milan. The complex was designed by the OMA architecture studio (led by Rem Koolhaas), and is the result of the transformation of a 19,000 m² industrial complex dating back to the 1910s.

The Osservatorio, a new Fondazione Prada space dedicated to photography and located in Milan's historic Galleria Vittorio Emanuele II, was inaugurated in December 2016.

In May 2015 the various different exhibition spaces began hosting an articulated program of exhibition activities and cultural events, allowing the Fondazione to pursue and expand its multidisciplinary focus.

3. 2017 ACTIVITIES

Over the course of 2017 Fondazione Prada presented a large number of novel and original projects:

- Three projects – "Extinct in the Wild," curated by Michael Wang; "Driftwood, or how we surfaced through currents," curated by Evelyn Simons; and "Mutterzunge," curated by Adnan Misal Yildiz – won the Curate Award. The first project investigated the theme of forced dislocation of flora and fauna, reuniting various natural species within artificial habitats that only survive today thanks to human intervention. The second is a field study dedicated to non-traditional exhibition methodologies. The third explored the movement of people, circulation of capital and the ways in which these constant flows are organized, systematized, controlled, compared and contrasted.

- "Atlas I," curated by Germano Celant, aims to highlight the possible mappings of an art collection, exhibiting a selection of works from the 1990s drawn from the Prada Collection.

- "The New American Cinema. Torino 1967" reconstructs the festival of avant-garde cinema of the same name created by Jonas Mekas. – "Slight Agitation 2/4: Pamela Rosenkranz" and "Slight Agitation 3/4: Gelitin" are two chapters in an exhibition project built of four site-specific commissions requested from established international artists.

- "TV 70" is an exhibition conceived by Francesco Vezzoli and developed in collaboration with RAI (Italian national television) that translates the artist's gaze into a visual exploration of television production during the 1970s.
- "Carne y Arena" is the first virtual reality/immersive experience created by four-time Academy Award-winning filmmaker Alejandro González Iñárritu.
- "The Boat is Leaking. The Captain Lied." is a multimedia project born of in-depth interaction between writer and director Alexander Kluge, artist Thomas Demand, scenographer and costume designer Anna Viebrock and curator Udo Kittelmann.
- "EU," curated by Luigi Alberto Cippini, is an anthological exhibition by Japanese photographer Satoshi Fujiwara.
- "Questioning Pictures," curated by Francesco Zanot, presents new works that Fondazione Prada commissioned from Stefano Graziani, an artist who explores photography as a tool for narration, cataloging and reinterpretation.
- "Leon Golub," "H.C. Westermann," and "Famous Artists from Chicago. 1965-1975" are three thematic insights into the broad investigation of art that developed in Chicago during the second postwar period, curated by Germano Celant.

All exhibition and cultural activities were also accompanied by expansive publishing efforts, including publication of monographic catalogues for the exhibitions "TV 70" and "The Boat is Leaking. The Captain Lied.," as well as publication of more accessible volumes (the "Quaderni," or "Notebooks") for the projects "Extinct in the wild," "Atlas I," "The New American Cinema. Torino 1967," "Carne y Arena," "EU. Satoshi Fujiwara," "Questioning Pictures. Stefano Graziani," "Leon Golub," "H.C. Westermann" and "Famous Artists from Chicago. 1965-1975."

4. FUTURE ACTIVITIES (POLICY PLAN)

During the two-year period 2018-2019, Fondazione Prada intends to continue to pursue its social goals through the conception and production of innovative cultural projects in all fields of contemporary culture, from the visual arts to the performing arts, and from cinema to architecture. Moreover, it will further expand its field of action by including musical research and experimentation in its cultural offering, thus creating new resonance among disciplines.

Given the success of activities linked to the Cinema, Fondazione Prada intends to begin the process to expand its range, proposing a broader cultural offer tied to the development of cinematographic programming. After the early years of experience in which the Cinema space was used as an integral part of the museum, the objective is now to highlight its use within a framework that focuses on quality of programming and high cultural value offered to the public.

Consequently, the Cinema will take on a twofold role: a place in which to hold current exhibitions and a place for daily use.

Fondazione Prada will announce the opening to the public of the "Torre", the new building that marks the completion of the Milan headquarters designed by Rem Koolhaas. The 60-

metre-high white concrete building will become one of the Foundation's most recognisable elements, blending into Milan's urban landscape and simultaneously providing an unprecedented view of the city through its large windows.

The Torre will comprise nine floors, six of which will accommodate exhibition rooms for a total area of over 2,000 m², while the other three will contain a restaurant and services for visitors. The exhibition space was designed to contain works and large installations of the Prada Collection, which mainly showcases pieces from the 20th and 21st centuries by Italian and international artists, increasingly becoming a repertoire of potential perspectives to which future projects and new artists will contribute.

The complex geometric structure, which changes the Torre's external appearance depending on the viewing perspective, embodies the architectural vision of the entire Foundation, characterised by a variety of oppositions and fragments destined never to form a single, defined image. As Rem Koolhaas says, "by introducing numerous spatial variables, the complexity of the architectural design contributes to the development of an open and constantly evolving cultural programme".

Fondazione Prada's headquarters in Milan will thus achieve their final layout, stimulating a review of the organisation in order to keep events always at the highest level and render the areas increasingly open, safe and functional for visitors and collaborators, providing a space for cultural sharing.

During 2018, in addition to the conclusion of several projects initiated during 2017 – "Slight Agitation 3/4: Gelitin," "Carne y Arena," "Questioning Pictures. Stefano Graziani," "Leon Golub," "H.C. Westermann," and "Famous Artists from Chicago. 1965-1975" – Fondazione Prada intends to continue exploring its experimental vocation. Among other activities, the headquarters in Largo Isarco will host "Post Zang Tumb Tuuum. Art Life Politics: Italia 1918-1943," an exhibition conceived and curated by Germano Celant that explores the art and culture system existing in Italy between the two World Wars; the final chapter of the project "Slight Agitation"; the retrospective "The Touch That Made You," organized in collaboration with The Serpentine Galleries (London) and dedicated to Norwegian photographer Torbjørn Rødland; and "Sanguine," an exhibition curated by Belgian painter Luc Tuymans that presents a dialogue between baroque and contemporary works of art.

For the 16th architecture Biennale, Fondazione Prada presented an exhibition project curated by Dieter Roelstraete titled "Machine à Penser" in its Venice location. The exhibition explored the themes of withdrawal of the thinker and the architectural archetype that combines the activity of thinking with the living environment, concentrating in particular on the work of philosophers Ludwig Wittgenstein, Theodore Adorno and Martin Heidegger.

Fondazione Prada's Largo Isarco 2 project was completed in 2018 with delivery of two new areas – "Torre" and "Deposito" – that increased the overall area available to the Fondazione to 23,700mq, including 12,500mq dedicated to museum exhibitions; 800mq of office space; 1,400mq for commercial activities and the remaining area for storage and technical spaces.

Over the course of 2019, Fondazione Prada will organize both group and solo exhibitions of international artists, in addition to a broad research effort exploring international cultural production.

The Fondazione will also continue its regular cinema and education activities.

5. ORGANISATION

Fondazione Prada is administered by a Board of Directors comprising 5 members, while an auditor is responsible for checking that the accounts are properly kept and for monitoring financial management.

Fondazione Prada involves a wide range of subjects, artists, curators and scholars in its programmes, and their contributions give rise to ideas and projects that will be implemented over time or become part of an archive to be consulted and developed.

Fondazione Prada employs 32 staff members who, based on skills, experience and knowledge, cover the various areas of activity and cooperate in the realisation of projects and events. Personnel is engaged in cultural and artistic planning and, to a lesser extent, in technical and administrative aspects. Staff of the artistic department transforms the projects of artists and curators into action, fostering relations with them and with other museums and cultural institutions; with stand fitters and technicians for implementation of the exhibitions; with graphic designers and authors for the realisation of editorial and promotional materials. All in accordance with the methods and guidelines approved by the Board of Directors.

Visitor assistance is provided by a specialised cooperative whose highly trained staff is in charge of both ensuring the safety of the exhibits and interacting with visitors, providing them with information on the current exhibitions.

The museum's ticket office, the main place where visitors are welcomed, is responsible for issuing tickets and selling catalogues to the public, as well as for providing initial information on the access routes to the exhibition areas. Along the route, visitors will find racks containing guides that briefly introduce the themes of the exhibitions or describe the areas where activities are planned.

Information on openings and exhibitions is advertised through digital and paper means at the Foundation's premises, as well as through the website and external press, digital and promotional communication activities.

6. MEMBERS OF THE BOARD OF DIRECTORS

Miuccia Prada, President and Executive Director

Carlo Mazzi, Vice-President and Executive Director

Giò Marconi, Non-Executive Director

Massimo Sterpi, Non-Executive Director

Astrid Regina Welter, Executive Director

Fondazione Prada Statute, Article 6.4 – The position of Director is unpaid, save for reimbursement of expenses and advances provided specifically for Fondazione Prada activities.

7. BUDGET SUMMARY

31.12.2017

<i>Statement of Financial Position</i>		<i>(Euro)</i>
Non-current assets		473.799
Net Working Capital	-	3.813.837
Other current assets/(liabilities), net	-	483.081
Other non-current assets/(liabilities), net		715.938
Net Invested Capital	-	3.107.181
Net Equity	-	413.350
Net Financial Position		3.520.531
Net Equity and Net Financial Position		3.107.181

<i>Profit or Loss</i>		<i>(Euro)</i>
Net revenues		28.319.392
Operating expenses	-	25.615.349
Labour cost	-	2.505.166
Depreciation & Amortization	-	136.928
EBIT		61.949
Financial income/(expenses)		23.605
Result before taxation		85.554
Taxes	-	63.009
Net income/(expenses)		22.545

Revenues from sales and services of the core business come from the sale of tickets and guided tours and from the sale of catalogues and promotional material.

Considerable revenues are also earned from sponsorship contracts.

Revenues from core business are charged to the Income Statement at the time of transfer of ownership (upon issue of admission tickets and delivery of catalogues and promotional material) or upon implementation of the service (with the billing of guided tours).

Fondazione Prada did not receive any donations during the year.

In 2017, revenues strictly related to the cultural activity of Fondazione Prada recorded an increase of 28,6%, reflecting its considerable success with the public and appreciation of the exhibitions held.

From the cost standpoint, variable costs are essentially related to the production and realisation of cultural exhibitions and to the editorial research and publication of catalogues connected to the exhibition content. Fixed costs, on the other hand, are mostly related to management and maintenance of the space based on efficiency and cost-effectiveness criteria.

In particular, costs relating to the production of cultural content (exhibitions, conferences and catalogues) account for 65% of operating expenses, while maintenance costs account for 35%.

Costs for the use of third-party assets (lease agreements and equipment rental fees) represent 18% of the total operating expenses, as Fondazione Prada does not own the exhibition venues.

For this reason, no investments are made on the building and Fondazione Prada bears only the ordinary maintenance costs.

No costs were incurred for fundraising campaigns.

Labour costs account for 8,8% of total costs: Fondazione Prada's staff is subdivided by functional area (management, administration finance and control, operations, general secretary, press office and works collection) and cultural project area (research and publications, exhibition design and production, children's academy).

No costs were incurred for the Board of Directors.

Depreciation and amortisation costs account for 0,5% of total costs and are mostly related to the depreciation of electronic machinery (computers) and furniture for the bookshop space.

The year 2017 ended with a slightly lower result compared to the previous year, as the increase in revenues from the higher range of services also led to an increase in costs, despite increasingly targeted and proactive management.