# COMBINED MANAGEMENT REPORT OF PUMA SE FOR THE FINANCIAL YEAR 2023




Combined Management Report: This report combines the Management Report of the PUMA Group and the Management Report of PUMA SE

NITRO

Notes relating to forward-looking statements

This document contains statements about the future business development and strategic direction of the Company. The forward-looking statements are based on management's current expectations and assumptions. They are subject to certain risks and fluctuations as described in other publications, in particular in the risk and opportunities management section of the combined management report. If these expectations and assumptions do not apply or if unforeseen risks arise, the actual course of business may differ significantly from the expected developments. We therefore assume no liability for the accuracy of these forecasts.

┌ These sections contain content or cross-references not required by law, which were not audited by the auditor, but were merely read critically. In the case of cross-references, the information to which the cross-references refer was also not audited.
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# OVERVIEW 2023

In 2023, we celebrated PUMA's 75th anniversary with events around the world which highlighted our proud history with our employees and our brand ambassadors. PUMA's founder Rudolf Dassler had the vision of making products that would provide athletes with the agility and speed of a puma and through this vision, PUMA has left a firm mark on sports and culture since 1948.

Even though we faced many global uncertainties during the year, PUMA was able to sustain its strong brand momentum as we launched significant new products and initiatives.

In Teamsport, the Women's World Cup in Australia and New Zealand was an important moment to emphasize our commitment to women's football and to demonstrate our leading product offer for women: PUMA is the only sports brand to offer all boots in women's specific fits. On pitch, PUMA supplied more than 100 players and the fact that more than 90% of them chose our women's fit shows that there is a real demand for these products.

We introduced new versions of the successful boots ULTRA and FUTURE and redesigned the KING without kangaroo leather. Instead, PUMA uses K-BETTER, a completely new, vegan material for the upper which contains at least 20% recycled material. K-BETTER has proven to outperform the previous versions of the KING in testing for touch, comfort, and durability. The performance characteristics of K-BETTER were so convincing that PUMA committed to stop producing football boots with kangaroo leather altogether in 2023 as the first company in the industry.

In club football, PUMA team Manchester City won the treble for the first time in its history: the UEFA Champions League, the Premier League and the FA CUP, showcasing that it's currently the best football team in the world. Manchester City was also the first team in PUMA's history to win the Treble.

Many PUMA teams were among the best in their respective countries: In Germany, Borussia Dortmund was a close runner up in the Bundesliga, in France, RC Lens and Olympique de Marseille finished second and third in Ligue 1, in Sweden, Malmö FF won the Allsvenskan and in the Netherlands, PSV Eindhoven once again won the KNVB Cup. Elsewhere, the young talents of PUMA team Uruguay became world champions at the FIFA U-20 World Cup in Argentina.

To extend our global reach in football, we signed agreements with South American football federation CONMEBOL and the African football federation CAF. As part of these agreements, PUMA will become very visible during the tournaments organised by these federations, for example by supplying the official match ball, equipping referees and officials and also conducting exciting marketing campaigns which will engage with football fans on these continents.

On the players' side, PUMA welcomed some of the most inspirational talents of their generation as brand ambassadors in 2023 such as Kai Havertz, the Arsenal and Germany midfielder, Jack Grealish, the Manchester City and England playmaker, and Xavi Simons, the RB Leipzig and Netherlands midfielder.

In track and field, the World Athletics Championships in Budapest were an immense success for us, as PUMA-sponsored athletes won 22 medals, including six gold medals, twice the medal count achieved in Eugene in 2022. PUMA athletes also won 17 medals at the European Indoor Championships in Istanbul. Armand "Mondo" Duplantis once again set a new pole vault world record of 6 meters 23. For his outstanding performances, Mondo was named Male Athlete of the Year 2023 – the third time he received this award in four years' time. At the World Para Athletics Championships in Paris, PUMA athletes took 13 medals, with Cuban sprinter Omara Durand adding to her status as one of the most successful para-athletes of her generation with three gold medals.

We built on our impressive portfolio of brand ambassadors by welcoming Marcell Jacobs, the current Olympic 100 m Champion, and Julien Alfred, the current NCAA 100m Champion to the PUMA Family.

In our Running category, we continued to focus on establishing our NITRO™ foam technology in the market. With our supercritical NITRO™ foam, PUMA has one of the best foams in the industry and we are fully determined to become a sought-after brand in road running. We continue to see a strong growth trajectory in our third year after the launch of our first NITRO™ running shoes and further underlined our credibility with signings of new running ambassadors: European 5,000 m Champion Konstanze Klosterhalfen, marathon legend Edna Kiplagat and European marathon Champion Aleksandra Lisowska.

In basketball, we introduced the third signature shoe for PUMA Hoops ambassador LaMelo Ball, the MB.03, following the tremendous success of his first signature products. The MB.03 launched in several colours, including a version inspired by the popular cartoon series Dexter's Laboratory.

PUMA teamed up with NBA rookie and the 3rd NBA Draft Pick Scoot Henderson to present the new All-Pro NITRO™, PUMA's newest basketball silhouette, which features our NITRO™ foam technology. Later in the year, Scoot became the youngest player ever to receive his own signature shoe, the Scoot Zeros. Breanna Stewart, our WNBA ambassador, introduced several versions of her signature shoe Stewie 2 throughout the year.

Our athletes also achieved tremendous success on court, as Breanna Stewart became the most valuable player for the WNBA for the second time and Dennis Schröder became the MVP of the tournament at the Basketball World Championships in Southeast Asia, when he led Germany to its first title.

After the strong success of PUMA in basketball over the past years, we decided to broaden our reach and further strengthen our connection to the younger consumers. Partnering with NXTPRO gives PUMA access to one of the top 3 Amateur Basketball circuits with 15,000 players.

In golf, we introduced the AEROJET family of clubs, which feature a raised skirt, symmetrical shaping and streamlined edges. Designed to achieve new levels of speed not believed to be possible until now, the AEROJET was named best driver for distance by Golf Monthly.

To underscore our credibility in this sport, PUMA ambassador Rickie Fowler captured his sixth PGA Tour victory at the Rocket Mortgage Classic in Detroit, while Patricia Isabel Schmidt secured her maiden European Tour win at the Belgian Ladies Open.

PUMA further added to its dominant position in motorsport by signing a landmark agreement with Formula 1 to become the sport's official licensing partner and exclusive trackside retailer. While PUMA will equip F1 officials and our subsidiary stichd will operate the fan retail stores during race weekends, we will also produce exciting collections for the growing number of F1 fans around the world.

The PUMA x F1 collections will be designed by A$AP Rocky, whom PUMA presented as the creative director for F1 in a game changing announcement. As one of the biggest cultural influencers of his day, A$AP has the vision and the talent to really provide a new perspective on this category. The first successful capsule collection was launched during the Las Vegas Grand Prix with many more products to come in 2024 and beyond. The extension of PUMA's long-term partnership with Ferrari and a new contract with Williams Racing further increased our dominance in motorsport.

In Sportstyle, global superstar Rihanna returned to PUMA in 2023 and the first joint product of the FENTY x PUMA collection, the Avanti, created a huge buzz and sold out on PUMA.com immediately. At the end of the year, she followed up on the Avanti with the launch of the Creeper Phatty, a remake of the plateau style she pioneered during her first collaboration with PUMA, which was named "Shoe of the Year" by Footwear News in 2016.

PUMA's Sportstyle offering also benefited from our strong take on the terrace trend. We reintroduced our classics Palermo and Super Team to the market and saw strong demand for the first drops. To mark 50 years of hip-hop, PUMA took a journey through time with the iconic Suede, and we created several versions which showed how hip-hop evolved and left its unmistakable impact on culture. On time with the ongoing skate trend in the market, we also launched the all-new Suede XL at the end of the year.

With styles such as the CA Pro, Slipstream and Doublecourt, we continued to have the right proposition for the ongoing demand for white court shoes, with our RS-X and the Velophasis we further built on our Progressive Running offer and with our Mayze we continued to excite our female consumers.

Our Sportstyle offer was complemented by several successful Select collaborations with partners such as Noah, Palomo Spain and Rhuigi.

In financial year 2023, PUMA found itself in an increasingly difficult geopolitical and macroeconomic environment. The conflict in the Middle East, the war in Ukraine, persistent inflation and risks of recession had a negative impact on the consumer sentiment and led to volatile retail demand. For this reason, the Management saw 2023 as a transitional year in which PUMA focused entirely on the factors that could be directly influenced. The main focus was on operational flexibility, the normalisation of inventories and ongoing cost discipline. The purpose of this was to overcome the short-term challenges without compromising the medium and long-term success of PUMA. In this respect, sales growth and increasing market shares took priority over short-term profitability optimisation.

Despite the difficult market environment, PUMA was able to further increase its sales and set a new sales record in financial year 2023, based on continued strong brand momentum, exciting product launches, strong partnerships in all areas of the value chain and a focus on flexibility in operating activities. Currency-adjusted sales increased by 6.6%. Due to strong negative currency effects this corresponds to an increase in sales in the reporting currency, the euro, of 1.6% from € 8,465 million in the previous year to € 8,602 million in 2023. The positive sales development was achieved despite the significant devaluation of the Argentine peso and was therefore largely in line with the outlook of currency-adjusted sales growth in the high single-digit percentage range.

Unfavourable currency effects, industry-wide sales promotion measures and fluctuating sourcing prices and freight costs had a negative impact on the gross profit margin in 2023. These negative effects were more than offset by price adjustments and a favourable regional and distribution channel mix. Overall, this led to an improvement in the gross profit margin from 46.1% in the previous year to 46.3% in 2023. The net expenditure of other operating income and expenses increased by a total of 3.3% in financial year 2023 to € 3,403 million (from € 3,296 million in the previous year). The increase was mainly due to higher sales-related distribution and other variable costs, the strong growth in our direct-to-consumer sales and higher marketing investments. This development was partially offset by operational leverage in other cost areas and favourable exchange rate effects. Due to the continued cost control, the cost ratio increased only from 38.9% in the previous year to 39.6% in 2023.

Despite the sales growth and the improvement in the gross profit margin, the slight increase in the cost ratio during the past financial year led to a slight decline in operating result (EBIT) of 3.0% to € 621.6 million (from € 640.6 million in the previous year). Despite the significant devaluation of the Argentine peso, operating result was therefore well within the € 590 million to € 670 million range. However, the EBIT margin fell from 7.6% in the previous year to 7.2% in 2023. The devaluation of the Argentine peso had a particularly negative effect on the financial result. Because of this, consolidated net income amounted to € 304.9 million compared to € 353.5 million in the previous year. This corresponds to a decrease of 13.7%. Earnings per share therefore decreased from € 2.36 in the previous year to € 2.03.

The positive net income enables the Management Board and the Supervisory Board of PUMA SE to propose the distribution of a dividend of € 0.82 per share for the financial year 2023 at the Annual General Meeting on 22 May 2024. This corresponds to a payout ratio of 40.3% of consolidated net income according to IFRS. The higher payout ratio results from the strong improvement in free cash flow and reflects the underlying positive operating business development. In general, PUMA's dividend policy continues to provide for a payout of 25% to 35% of consolidated net income. In the previous year, a dividend of € 0.82 per share was paid out (payout ratio for previous year: 34.7%).

The PUMA share had a negative performance in financial year 2023. Based on the share price at the end of the previous year, the PUMA share started 2023 at a price of € 56.70. In the following twelve months, the price of the PUMA share ranged between € 67.22 (February 2023) and € 44.36 (May 2023). At the end of 2023, the price of the PUMA share was € 50.52, which represents a decline of 10.8% compared to the previous year. The market capitalisation of the PUMA Group amounted to around € 7.6 billion at year-end 2023 (previous year: € 8.5 billion).

# PUMA GROUP ESSENTIAL INFORMATION

## COMMERCIAL ACTIVITIES AND ORGANISATIONAL STRUCTURE

PUMA SE operates as a European stock corporation with Group headquarters in Herzogenaurach, Germany. In the internal reporting, our business activities are mapped according to three major regions (EMEA, the Americas and Asia/Pacific) and three product divisions (footwear, apparel and accessories). In addition, we consider seven segments for internal management purposes, as shown in the segment reporting.

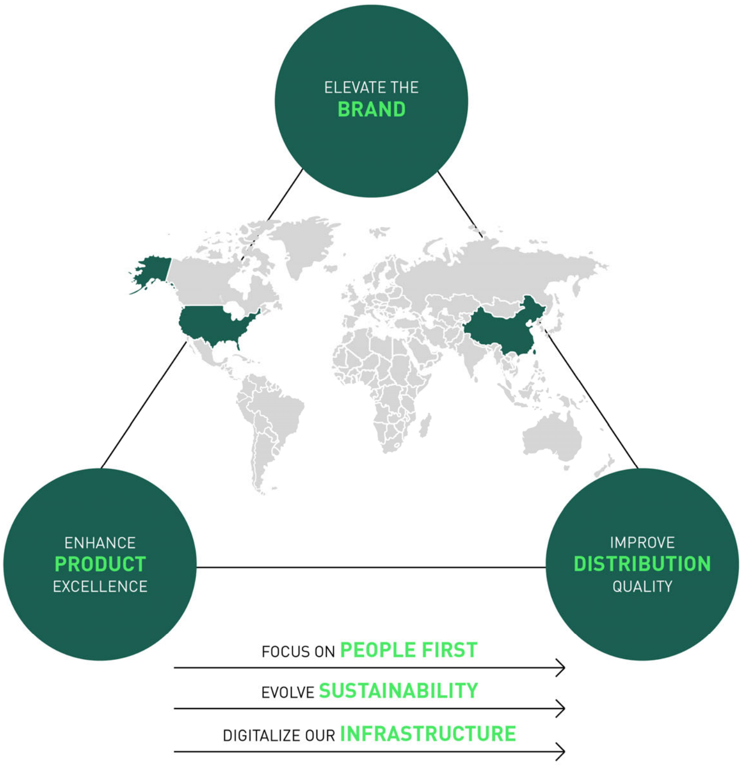
Our revenues are derived in particular from the sale of products from the PUMA and Cobra Golf brands via the wholesale and retail trade, as well as from sales directly to consumers in our own retail stores and online stores. We market and distribute our products worldwide primarily via our own subsidiaries. There are distribution agreements in place with independent distributors in a small number of countries.

As of 31 December 2023, 99 subsidiaries were controlled directly or indirectly by PUMA SE. Our subsidiaries carry out various tasks at the local level, such as distribution, marketing, product development, sourcing and administration. A full list of all subsidiaries can be found in chapter 2 of the Notes to the Consolidated Financial Statements (in the subsection "Group of consolidated companies").

## TARGETS AND STRATEGY

PUMA started 2023 by sharpening its strategic priorities.

### ↗ G.01 STRATEGIC PRIORITIES




Our strategic framework consists of a triangle: Elevate the Brand, Increase Product Excellence, and Improve Distribution Quality. Within this context, we placed a special emphasis on implementing this strategic framework in the US and China – two key countries where our current market shares are significantly too low. The strategic framework triangle is based on our three foundational pillars of focusing on people first, evolving sustainability and digitalizing PUMA's infrastructure.

By **elevating the brand**, we want to anchor PUMA more deeply in the hearts and minds of customers, to become more consumer centric and to focus our investments on fewer Tier 1 ambassadors with a bigger reach. Finally, we will also improve our focus and engage with consumers with fewer, bigger and better brand and product campaigns going forward.

With our rich history of having served athletes since 1948, our PUMA brand has some of the best logos in the whole industry and a huge archive of the most iconic sport moments, athletes, and products in history. This unmatchable DNA gives our product designers and marketeers a unique opportunity to tell our brand and product stories with the authenticity and credibility of a true sports brand.

We continuously focus on enhancing our **product excellence** and we put innovation and quality at the heart of our designs. All PUMA products will have 100% sports DNA. While we celebrate the sports roots of our shoes on the Sportstyle side, we push for new innovations on the performance side to make our athletes even faster. We keep on leveraging our NITRO™ foam technology in our key running styles Deviate, Velocity and ForeverRun and are continuously evolving to improve the cushioning, responsiveness and weight of our shoes. We are also continuously evolving our three strong football footwear franchises FUTURE, ULTRA and

KING, which is reflected in our ongoing market share gains in this highly competitive market. Finally, we also introduced the All-Pro, which we believe is one of the best basketball shoes in the industry and we will continue to evolve our All-Pro proposition going forward.

PUMA is continuously improving the **quality of its distribution** in wholesale. Our retail partners are our key priority as we believe that the consumers enjoy a multi-branded retail environment to make the best product choices. To cater to the requirements of our retail partners and to build long-term partnerships with them, we provide our retail partners with the best and fastest service in the industry. PUMA continues to pursue its direct-to-consumer business as a complementary offering in its distribution strategy to realize the roles which our retail partners cannot fulfil, namely brand storytelling.
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In the United States, we see significant opportunities to enhance our market share in the world's biggest sports market. To achieve this, we need to position ourselves as a credible performance brand. Our initiatives in basketball, motorsport and even football - as our new partner CONMEBOL will host the next Copa America in the US – will all contribute to this target. With our roster of athletes including LaMelo Ball, Scoot Henderson, and Breanna Stewart in basketball and Christian Pulisic in football, we have the right brand ambassadors in place to connect with our target audiences in a credible manner. Furthermore, we're also focussing on creating more US-first products, improving our distribution quality in the US and strengthening our local US organisation.

Next to the United States, we see significant opportunities to enhance our market shares in China, the world's most dynamic sports market. PUMA also has a clear strategy in place when it comes to our rebound in the Chinese market. We want to position PUMA as a global sports brand in China, leverage our local-for-local resources both in terms of design and sourcing to deliver the right product to the Chinese consumer, improve our distribution quality in this digital-first market and strengthen our local China organisation.

Putting our **people first** is an important part of our corporate strategy. PUMA's working culture is characterised by diversity, inclusion, and equality, as our employees have many different nationalities and backgrounds. We believe this diversity to be one of our key strengths and we were thrilled to be named a global Top Employer in 2023. Our commitment to equality was rewarded when an independent agency certified that we had closed the adjusted pay gap between women and men among our employees in Germany. We will continue to work hard to provide our employees with an inspiring place to work which reflects our values.

The aim of our FOREVER.BETTER. **sustainability** strategy is to fully integrate sustainability into all our core business functions. By 2025, we want to make nine out of ten products with materials such as certified cotton and viscose or recycled polyester. We also want to become more circular.

With our RE:SUEDE project, we showed in 2023 how we can successfully turn an experimental version of our classic Suede sneaker into compost under certain tailor-made industrial conditions. Going forward, we will continue to innovate with our partners to determine the infrastructure and technologies needed to make the process viable for a commercial version of the RE:SUEDE, including a takeback scheme.

To reach younger audiences with our sustainability strategy, we started our "Voices of a RE:GENERATION" initiative. The Voices, who are GEN-Z activists and environmentalists, regularly join PUMA to give our senior management feedback on how we can further strengthen our sustainability strategy. The voices also visited the factories of our partners in Asia and Turkey and helped us communicate with younger audiences throughout the year. We believe that new ways of communication like this and transparency are essential for the journey towards a more sustainable world.

To operate efficiently and to keep up with our growth momentum, we constantly **improve our infrastructure** and processes. This includes investments in our IT systems, distribution centres and offices around the world.

## PRODUCT DEVELOPMENT AND DESIGN

Enhancing the excellence of our products is one of PUMA's strategic priorities. In order to accomplish this, we will focus on five key measures: authentic sports DNA across all our products, design and innovation excellence, focus on clear must-win priorities, creating product franchises as a brand, and a global-local ("glocal") product creation approach.

As a sports company, PUMA has 75 years of history and sports authenticity, created by writing history alongside the world's fastest athletes. All PUMA products will have **100% sports DNA**. While we celebrate the sport roots of our products and rich archive on the non-performance side, we push for new innovations on the performance side.

In addition to the clear sports DNA of our products, we also place a special emphasis on **design and innovation** across all our categories. We have a strong pipeline of innovations across all our performance categories both on the footwear and apparel side. We have the clear ambition to make the fastest products for the fastest athletes and our innovative technologies such as NITRO™ will ensure that we live up to this ambition.

Also on the design side, PUMA has a rich history of firsts and bests. We built on our legacy in 2023 by relaunching the Avanti with global icon Rihanna, a style which is based on the sneaker through which PUMA revolutionised the category in the 1990s. The Avanti is a perfect example of how we leverage our rich archive of iconic silhouettes while ensuring cutting-edge and on-trend design in the here and now.

To sharpen our focus, we decided to implement fewer, bigger and better product stories and we defined four **clear must-win priorities** that we will focus on: classics, sports culture, our NITRO™ technology and creating the best product offer for women.

**Classics** are one of PUMA's biggest asset, given our rich history and our vast archive, which continues to inspire our designers today. PUMA was already an established brand when football transformed to terrace, skate became streetwear and when fashion embraced low profile styles. This means that PUMA has genuine credibility to respond to the return of such trends.

Through its archive and history, PUMA will continue to incubate new trends, such as low profile, and capitalise on existing trends such as the prevalent terrace and skate trends.

For PUMA, **sports culture** is about more than the game, as the influence of sport can be felt long after the final whistle or the chequered flag. In Football, the terrace trend first started in the football stadiums of the 1980s and made its way into fashion and streetwear.

Basketball also has a direct impact on culture and streetwear, for example when the players make strong fashion statements on their way into the venue of the game, or when celebrities show of their style as they sit courtside.

Few players embody this spirit and cultural influence like our ambassador LaMelo Ball, with whom we will continue to work on his range of signature shoes which blend performance and style.

In Motorsport, some of the biggest names in sports, film and music regularly attend Formula 1 races and can be seen in the pits on race weekends. By hosting races across the planet and popular documentaries featuring the sport, F1's global viewership has skyrocketed in recent years and the audience has become more female and diverse, further increasing its influence on culture. With our strong legacy and authenticity in motorsport, we're well positioned to capitalise on this growing cultural influence and create relevant F1-inspired streetwear. We already showcased this approach when we released a bespoke capsule collection with A$AP Rocky, our creative director for the PUMA X F1 partnership, during the Las Vegas Grand Prix.

**NITRO™**, one of the best foam technologies in the industry, is at the core of our successful return to performance running and we will continue to invest significant resources into these performance products. PUMA has a long-term vision for the running category, with a pipeline of innovations going beyond the next four or five years.

NITRO™ foam maximizes responsiveness and cushioning while being extremely lightweight, and while it was created as part of our performance running line up, it is also used in other categories, for example in basketball.

PUMA has set up state of the art testing facilities in Germany and the US for our elite athletes, called NITRO™ LAB, which can gather full-body insights to develop bespoke and customised products, so they can perform at their best.

NITRO™ is used in our award-winning running styles Deviate, Velocity and the latest addition ForeverRun. With these three styles, we have a clear product proposition for our consumers.

**Women** have been a priority for PUMA for many years, and we are doubling down on our commitment to make the best products for her, whether it is female-specific fits for our footwear or other products specifically catering to the needs of women.

We take her serious throughout our performance categories, for example in football, where following two years of research, PUMA is the only sports brand to offer all football boots in fits that are specifically developed for female feet, with a lower volume in the midfoot and a smaller instep compared to unisex sizes. More than 90% of PUMA's professional female players choose their boots in women's specific fits, which shows the real demand for such products.
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While PUMA is not afraid to combine performance and non-performance, our goal is not to be a fashion brand but make sports on trend.

We will continue to create products for her and communicate to our female consumers through campaigns with our global ambassadors such as Rihanna and Dua Lipa, and Pamela Reif.

Another clear area of product excellence is to **create franchises as brands** with well-defined consumer benefits such as Deviate, Velocity and ForeverRun in running, FUTURE, ULTRA, and KING in football as well as All-Pro and MB in basketball. In non-performance categories, we also see the opportunity to establish strong product franchises such as Suede, and Palermo on the Classics side or RS-X and Mostro on the Progressive side. Going forward, we will continue to focus on these key products and ensure a long-term strategy across all our categories.

We have set up local creation centres in major markets such as the US, Europe, China, India, or Japan so they can design the products that best resonate with local consumers and we are active in regionally relevant sports such as cricket, handball, rugby, or netball. We believe that this **glocal approach to product creation** combining global Business Units and local creation centres ensures the perfect balance of global reach and consistency and local relevance of our products.

Research and product development at PUMA mainly comprise the areas of innovation (new technologies), product design and model and collection development. The research and product development activities range from the analysis of scientific studies and customer surveys through the generation of creative ideas to the implementation of innovations in commercial products. The activities in research and product development are directly linked to sourcing activities.

As of 31 December 2023, a total of 1,406 people were employed in research and development/ product management (previous year: 1,307). In 2023, research and development/ product management expenses totalled € 171.5 million (previous year: € 153.1 million), of which € 89.0 million (previous year: € 82.2 million) related to research and development.

## SOURCING

### THE SOURCING ORGANISATION

PUMA Group's sourcing functions, referred to as PUMA Group Sourcing (PGS), manages all sourcing related activities for PUMA and Cobra, including supplier selection, product development, price negotiation and production control. These activities are centrally managed by PUMA International Trading GmbH (PIT), the group's global trading entity, with its head office in the Corporate headquarters in Herzogenaurach (Germany). In addition, PIT is responsible for procurement and supply into the PUMA distribution channels worldwide. PIT receives volume forecasts from PUMA subsidiaries and licensees worldwide, translates these forecasts into production plans which are subsequently distributed to the third-party vendors. The PUMA subsidiaries confirm their forecasts into purchase orders to PIT, which in turn consolidates these requirements and purchases from the vendors. There is a clear buy/sell relationship between the sales-subsidiaries and PIT and between PIT and the vendors, for added transparency.

The centralisation of the sourcing and procurement functions supported by a cloud-based purchase order management and payment platform has enabled the digitalisation of the supply chain creating transparency, operational efficiency and reducing complexity. For example, container fill rates are optimised, foreign currency risks are managed by PIT directly via a centralised currency hedging policy, and all payments to vendors are automated and paper free.

To meet the needs of our customers in terms of service, quality, social and environmental sustainability, we focus on six core strategic pillars: partnership, product quality, growth management, margins, acquisition costs and sustainability. The integration of PUMA's sustainability function into the sourcing organisation ensures that industry standards, including social, environmental, chemical safety, as well as product compliance are closely integrated with all our sourcing activities.

Another key aspect in our sourcing setup since 2016 has been the PUMA Forever Better Vendor Financing Program. The program allows suppliers to be paid earlier. The International Finance Corporation (IFC), banking group BNP Paribas, HSBC and Standard Chartered offer attractive financing terms to our suppliers, allowing them to maintain their own lines of credit.

In 2023, no sourcing countries experienced material COVID restrictions. The lifting of restrictions enabled full normalisation of the supply chain to pre-pandemic levels.

High inflation, fluctuating raw material cost and freight cost impacted the company's operations. In view of the global macroeconomic situation, which has led to a change in customers' ordering behavior and increased inventory levels resulted in a need for more cautious procurement from our suppliers. Hence, we actively adjusted sourcing activities respectively and continued to provide transparency to our sourcing partners so they can adjust their capacities accordingly. Despite these challenges, we remained committed to delivering value to our stakeholders and implemented strategies to mitigate the adverse effects of the prevailing market conditions. Together with sustained demand for PUMA products in 2023 this led to a further normalisation of PUMA inventory levels, in line with expectations.

Our supplier partners form an integral part of the PUMA business. To recognise our suppliers, we organised a Supplier Summit in June 2023 at PUMA Headquarters in Herzogenaurach, bringing them together across all divisions for the first time in over six years. During the Summit, we shared recent and upcoming business developments and expressed gratitude for their partnership with PUMA.

## THE SOURCING MARKETS

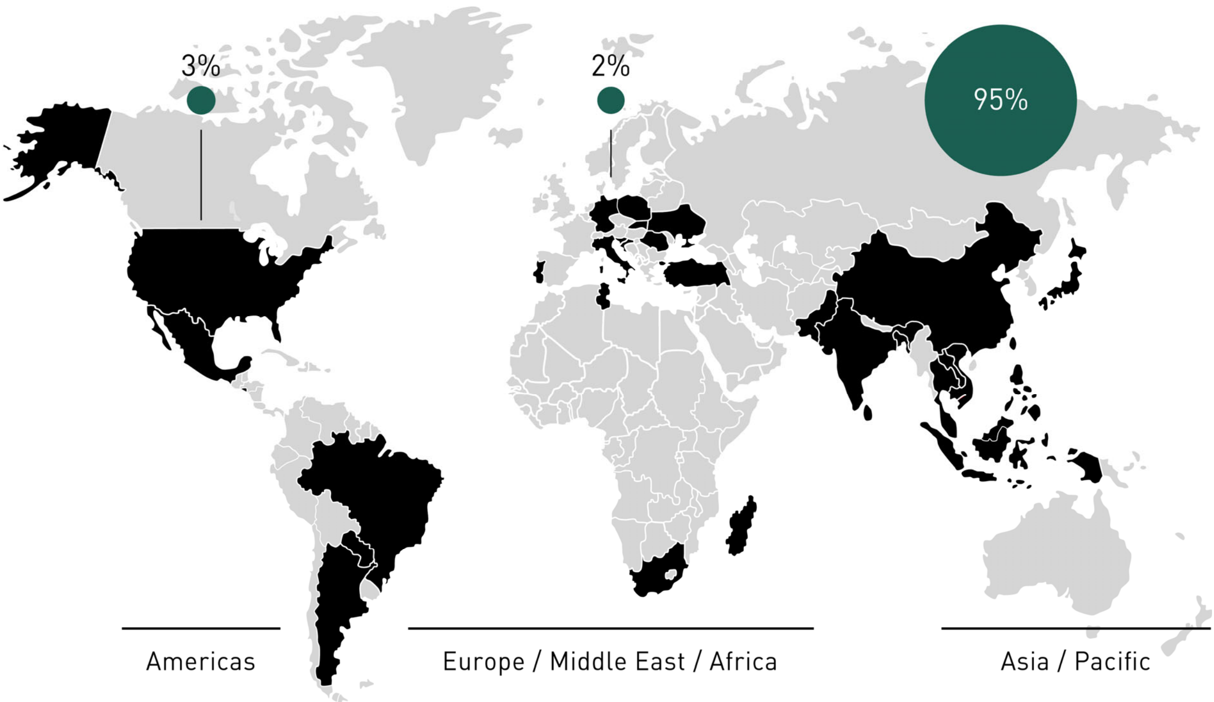
During the financial year 2023, PIT purchased from 158 independent suppliers (previous year: 141) in 29 countries worldwide. The strategic cooperation with long-term partners continues to be one of our key competitive advantages and was crucial in navigating through ongoing supply chain challenges of 2023.

Asia is the strongest sourcing region overall with 95% of the total volume, followed by the Americas with 3% and EMEA with 2% (thereof Europe with 1% and Africa with 1%).

As a result, the six most important sourcing countries (94% of the total volume) are all located in the Asian continent. China is the biggest production country in 2023 with a total of 32%. While the absolute volumes in China for apparel have decreased, it was further strengthened as a strategic origin for footwear in 2023. Vietnam – a key development and sourcing hub for all three divisions – is the second biggest production country with 30%. Cambodia is in third place at 13%, Bangladesh, which focusses on apparel, is in fourth place at 12%. Indonesia, with an initial focus on footwear production and increasing volumes for apparel, produces 4% of the total volume and is in fifth place. India – only serving the local market - is in sixth place at 3%. In the growth market of India, we see ourselves in a good competitive position due to local sourcing and are therefore also able to limit the impact of the government's protectionist measures on our business.

Rising wage costs, fluctuating material prices, macroeconomic developments and evolving sustainability regulations, have continued to influence sourcing markets in 2023. Such impacts need to be considered in allocating the production to ensure a secure, sustainable, and competitive sourcing of products. In this regard sourcing continues to extend its local supply chain initiatives for markets such as China, India, Latin America, Türkye and others. Our sourcing activities resumed with business travel to key sourcing markets in order to visit our existing partners but also evaluate new vendors and opportunities in sourcing countries such as Indonesia.

↗ **G.02 SOURCING REGIONS OF PUMA** (in %)

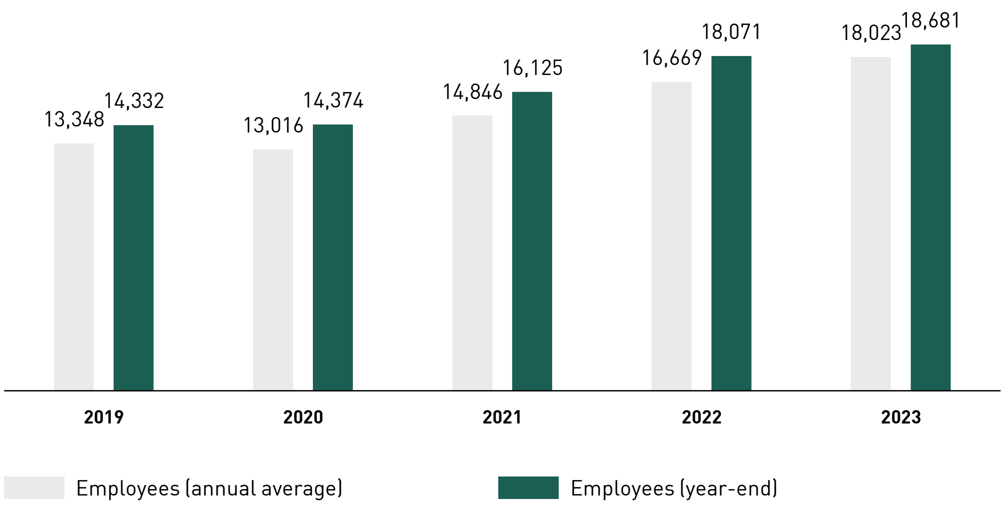


# EMPLOYEES

## NUMBER OF EMPLOYEES

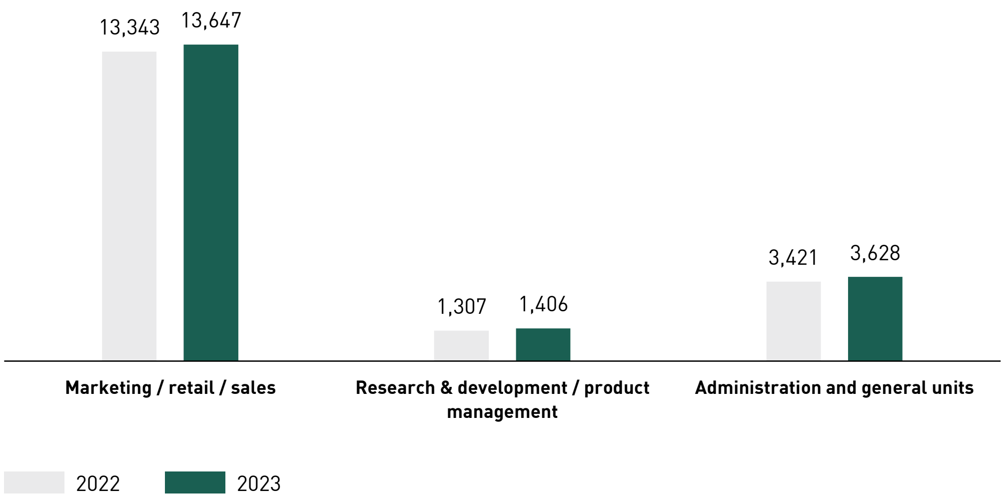
The global number of employees on a yearly average was 18,023 in 2023, compared to 16,669 in the previous year. Personnel expenses increased by a total of 6.4% from € 846.5 million to € 900.6 million in 2023. On average, personnel expenses per employee amounted to € 50.0 thousand, compared to € 50.8 thousand in the previous year.

### ↗ G.03 CHANGES IN EMPLOYEES (annual average / year-end)




As of **31 December 2023**, the number of employees was 18,681, compared to 18,071 in the previous year. This corresponds to an overall increase in the number of employees of 3.4% compared to the previous year. The development in the number of employees per area is as follows:

### ↗ G.04 EMPLOYEES (year-end)



## TALENT RECRUITMENT AND DEVELOPMENT

Our PUMA family is the key to our success. Our human resources strategy forms the basis of our unique working environment and corporate culture. These help us to attract the best talent worldwide and secure the future success of the company. The three core elements of this strategy are "People First", sustainable human resources practices and digitalisation.

**People First** means understanding employees' needs, values, and potential and putting them at the centre of our decision making. It helps us create an inclusive culture that respects diversity, promotes health and well-being, and encourages personal and professional growth.

**Sustainable people practises** create a workplace culture that prioritises employee health and happiness, diversity, and inclusivity, and offers ample opportunities for career growth. Our sustainable people practices are central to building a resilient organisation. By thinking ahead and equipping our employees with the future skills and leadership qualities necessary, we ensure the long-term success of PUMA.

**Digital tools** in Human Resources improve the work experience of our employees and help us stay competitive and agile in a fast-changing business landscape. By using digital technology, we are improving efficiency, data-driven decision-making, and candidate and employee experiences. We deploy easy-to-use digital tools that enhance collaboration and productivity and offer digital literacy programmes to ensure all employees are equipped to thrive in a digital environment.

To attract external applicants, we use digital platforms and social media in addition to our careers website in order to pursue proactive recruitment strategies that are tailored to our specific target groups. Having a range of on-site and online initiatives at universities both in Germany and abroad creates opportunities to approach potential employees and identify suitable candidates. Our extensive networks and applicant pools enable us to fill vacancies quickly. In a competitive labour market, it's essential for us not only to present ourselves as an attractive employer, but to be viewed as such by our current and potential employees. PUMA's attractiveness is evidenced by its top rankings as an employer and numerous awards. We are very proud that 24 of our PUMA subsidiaries across the regions (Europe, APAC, LATAM and North America) won a coveted Top Employer award in the year under review in recognition of our outstanding corporate culture and working environment. We can therefore continue to call ourselves a "Global Top Employer". We were also named one of the "World's Best Employers" by Forbes and a "Leader in Diversity" by the Financial Times, and awarded the "Great Place to Work" seal in numerous countries.

In 2023 we continued to work on simplifying, accelerating and harmonising our business processes worldwide, and intensified the digitalisation of our processes. We have been using the "Workday" software solution for a wide range of HR workflows since 2017. This gives our employees and managers the processes and tools they need to make everyday human resources management efficient. Furthermore, easy-to-use dashboards provide managers with important information and data-driven insights that are essential to their planning work and managerial duties. Analysing our centralised, globally available data provides a solid foundation for making strategic decisions and delivers measurable results. Our objective is to use this digitalised infrastructure to increase operational efficiency and continuously improve our HR practices throughout the employee life cycle at PUMA. This in turn facilitates PUMA's overarching goal of optimising workflows and employees' experiences. It also gives us the means to deal more effectively with the dynamics of demanding labour markets.

We empower our employees to shape their own career paths proactively and independently, promoting their professional development both within Germany and internationally. This is how we succeed in inspiring their loyalty to the company in the long term. As part of our talent management initiative, we use Workday not only to assess performance and set targets, but also to make systematic and forward-looking succession plans for key positions. We identify talent within the company during annual performance reviews and global talent conferences, and foster their development through tailored development plans. This approach to talent management opens up attractive career and development opportunities for our employees. As in the previous financial year, this year we were again able to fill the majority of key positions worldwide via internal promotions or horizontal moves, which confirms that our talent management and employee development strategy is solid.

The ongoing personal and professional development of our employees is crucial to ensuring that our team has the skills they need to guarantee us continuous growth and market competence, particularly in times of great uncertainty and change. Workday helps us to avoid skills shortages and maintain a clear overview of the existing competencies in our team. In 2023 we examined this issue more closely, delving deeper in particular into the competencies that we will need in the future. The insights we gained from this deep dive are essential for us in terms of strategic human resources planning. They form the basis for our recruitment activities and for the development of new training programmes.

The range of training that we provide includes a number of online and offline training courses and workshops, which are either standardised or tailored to individual needs. With "LinkedIn Learning" and "Good Habitz", there are now over 23,000 different training courses available for our employees. They also have a wide range of learning categories to choose from for self-directed personal and professional development. Like last year, we focused particularly on the topics of mental well-being, resilience and mindfulness this year, providing our employees with a wide range of services to best support them in dealing with the increased mental strain that can often arise in this politically and economically difficult environment.

We have a proactive strategy for engaging learners. This includes putting on entertaining activities about various topics, gamification and internal learning competitions, not to mention the quarterly Top Learner Award for the most active learners worldwide. Thanks to this approach, PUMA was nominated for the "eLearning Journal" Award 2024 in the "Learner Engagement" category. We further expanded the Digital Agile Coach programmes that we offer to various target groups.

We have a global Busuu licence that provides access to 13 languages. This enables all our employees, including retail staff, to learn new languages online in a flexible way that meets their needs. They are supported by live lessons with qualified trainers. Learning is undertaken both via an app and in direct contact with others. There is a particular focus on English, but Busuu also facilitates the learning of other languages for personal or professional purposes.

With a range of dual-study programmes and apprenticeships, as well as study-related internships, we offer adequate entry-level and development opportunities for talented individuals at all levels.

We offer our managers numerous training and development opportunities. All managers worldwide complete our internal global leadership training programme, consisting of the ILP (International Leadership Programme) and ILP² seminar series. The programme ensures a uniform understanding of leadership at PUMA and promotes development among participants over the longer term. It offers intensive training and coaching, including interactive learning, role play simulations, and best practice learning, as well as joint projects. The key topics include coaching, mindful leadership, and agile working methods. The PUMA Leadership Expedition training programme aims to empower our managers to lead effectively in the VUCA world (VUCA is an acronym for volatile, uncertain, complex, and ambivalent). The programme is completely virtual, easily accessible, and designed as a self-directed and tailor-made learning format. It includes self-selected virtual training sessions with a trainer, regular communication with other international participants in smaller working groups, and coached sessions, as well as individual learning sprints and check-ins with the trainers. This innovative training programme received the eLearning AWARD 2023 in the "Agile Learning" category.

Our training from employee to manager is intended to prepare employees who are taking on a management position for the first time specifically for their new role. In addition to the training module, the programme also offers individual coaching.

Our "Speed Up" and "Speed Up²" development programmes are aimed at employees across different levels of the organisation. These programmes help to fully prepare employees for the next stage of their career, covering interdisciplinary projects and deployments, targeted training, mentoring, coaching and job rotations. They are designed to actively promote selected top talent. Another essential aspect of these programmes is increasing the visibility of participants through to the highest level of management, promoting multi-disciplinary cooperation and developing a strong professional network.

Feedback from our employees is of the utmost importance to us. Our listening strategy comprises various methods of receiving feedback and aims to capture and understand the opinions and needs of our workforce. To gather their views and suggestions, we prepare questionnaires, regular short surveys, focus groups, interviews and mood analyses, often using systems such as Amber and Workday. The resulting feedback affirms our commitment to continuing and further developing the initiatives that have been launched.

Since 2009 we have been conducting regular global employee surveys to obtain feedback from our staff on a variety of topics and to measure their engagement. A total of 15,339 employees took part in the global survey we carried out in 2023 and took the opportunity to tell us what they think about their workplace and their day-to-day work. This equates to a participation rate of 85% (2021: 86%). We saw an increase in positive ratings in two categories. Four categories remained at their already high level and seven categories saw a slight decline of 1% compared to the previous survey. We compare our survey results with various sets of market data, including high-performance data that we surpass or are equal to in up to four categories. High-performing companies are those that outperform the market in financial terms and regularly achieve excellent employee survey results. This positive feedback encourages us to continue and strengthen the measures we have already introduced. The survey results were communicated at global, local and departmental level, and follow-up measures were defined.

### WORKS COUNCIL

Our trust-based, constructive collaboration with the Works Councils is an important part of our corporate culture. In 2023, the European Works Council of PUMA SE represented employees from 14 European countries and had 18 members. The German Works Council of PUMA SE consisted of 17 members and represented the employees of the PUMA Group in Germany. A designated member of the Works Council in Germany represents the interests of employees with disabilities.

### COMPENSATION

We at PUMA offer our employees a targeted and competitive compensation system, which consists of several components. In addition to a fixed base salary, the PUMA bonus system, profit-sharing programmes, and various social benefits form part of an attractive and performance-based compensation system. In addition, we offer our employees comprehensive services in the areas of further development, employee motivation, health management, and well-being. We also offer long-term incentive programmes for the senior management level that honour the sustainable development and performance of the business. The bonus system is transparent and globally standardised. Incentives are exclusively linked to company goals.
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## MANAGEMENT SYSTEM

We use a variety of **indicators to manage** our performance in relation to our top corporate goals. We have defined **growth and profitability as key targets** within finance-related areas. Our focus therefore is on improving our sales and operating result (EBIT). These are the most significant financial performance indicators. Moreover, we aim to minimise working capital and improve free cash flow. Our Group's **Planning and Management System** has been designed to provide a variety of instruments in order to assess current business developments and derive future strategy and investment decisions. This involves the continuous monitoring of key financial indicators within the PUMA Group and a monthly comparison with budget targets. Any deviations from the targets are analysed in detail and appropriate countermeasures are taken in the event such deviations have a negative impact.

Changes in sales are also influenced by **currency exchange effects**. This is why we also state any changes in sales in euros, the reporting currency, adjusted for currency exchange effects in order to provide information that is relevant to the decision-making process when assessing the revenue position. Currency-adjusted sales are used for comparison purposes and are based on the values that would arise if the foreign currencies included in the consolidated financial statements were not converted at the average rates for the previous year, but were instead translated at the corresponding average rates for the current year. In the case of countries that are in a hyperinflationary environment, the previous year's amounts are not converted at the reporting date rates of the previous year, but at those of the current reporting year. As a result, currency-adjusted figures are not to be regarded as a substitute or as superior financial indicators, but should instead always be regarded as additional information.

We use the indicator **free cash flow** in order to determine the change in cash and cash equivalents after deducting all expenses incurred to maintain or expand the organic business of the PUMA Group. Free cash flow is calculated from the cash flow from operating activities and investment activities. We also use the indicator **free cash flow before acquisitions**, which goes beyond free cash flow and includes an adjustment for incoming and outgoing payments that are associated with shareholdings.

We use the indicator **working capital** in order to assess the financial position. Working capital is essentially the difference between current assets – including in particular inventories and trade receivables – and current liabilities. Cash and cash equivalents, the positive and negative market values of derivative financial instruments and current finance and lease liabilities are not included in working capital.

Besides the above mentioned significant indicators, **sustainability** and creating stakeholder value is an important aspect of PUMA’s overall business performance. Acting in a responsible manner and continuously improving PUMAs impacts on the environment and people are not only expected by our employees, consumers and investors but also supports our financial performance. Since many years, and in line with our current 10FOR25 sustainability strategy, we use several indicators to assess PUMA’s performance against environmental and social criteria. Those indicators relate to climate action, human rights (including occupational health and safety) as well as circularity and are part of the performance bonus of our leadership team globally. Since a large portion of PUMAs impact on the environment and people is created in our supply chain, we also include supply chain specific sustainability performance indicators in our annual reporting. For further details, please refer to the sustainability section of this report and our corporate website.

The calculation of the financial control parameters that PUMA uses is defined as follows:

The recognition of sales is based on the provisions of IFRS 15 Revenue from contracts with customers.

PUMA's gross profit is calculated as sales minus cost of sales. Cost of sales mainly comprise the carrying amounts of inventory that were recognised as expenses during the reporting period. The gross profit margin is calculated as gross profit divided by sales.

PUMA's operating result (EBIT) is the sum of sales and royalty and commission income, minus cost of sales and other operating income and expenses (OPEX). EBIT is defined as operating result, less depreciation and amortisation, provisions and impairment loss, before interest (= financial result) and before taxes. The financial result includes interest income and interest expenses, currency conversion differences and the effects from the net position of monetary items in connection with hyperinflation accounting. The EBIT margin is calculated as EBIT divided by sales.

PUMA's working capital is calculated based on the sum of current assets less the sum of current liabilities. In addition, cash and cash equivalents and positive and negative market values of derivative financial instruments are deducted. The market values of derivative financial instruments are recognised in the balance sheet in the items Other Current Assets and Other Current Liabilities not attributable to working capital. Current financial and lease liabilities are also not part of working capital.

We also use the EBITDA indicator, which represents the operating result before interest (= financial result), taxes and depreciation and amortisation, to assess the results of operations. EBITDA is calculated based on the operating result (EBIT) adding depreciation and amortisation, which may also contain any incurred impairment expenses relating to non-current assets. The EBITDA margin is calculated as EBITDA divided by sales.

## INFORMATION REGARDING THE NON-FINANCIAL REPORT

In accordance with Sections 289b and 315b of the German Commercial Code (Handelsgesetzbuch – HGB), we are required to make a non-financial declaration for PUMA SE and the PUMA Group within the combined management report or present a non-financial report external to the combined management report, in which we report on environmental, social and other non-financial aspects. PUMA has been publishing sustainability reports since 2003 under the provisions of the Global Reporting Initiative (GRI) and since 2010 has published financial data and key sustainability indicators in a single report. In this context, we report the information required under Sections 289b and 315b of the HGB in the sustainability chapter of our annual report. The non-financial report for the financial year 2023 is published together with the combined management report and can be accessed at the following location on our website:
**https://about.PUMA.com/en/investor-relations/financial-reports**

Furthermore, important sustainability information can always be found in the sustainability section on PUMA's website: **http://about.PUMA.com/en/sustainability**

# ECONOMIC REPORT

## GENERAL ECONOMIC CONDITIONS

### GLOBAL ECONOMY

According to the winter forecast of the Kiel Institute for the World Economy (Kiel Institut für Weltwirtschaft – IfW Kiel) dated 13 December 2023, the global economy held up better than expected in view of the inflation shock and the massive tightening of monetary policy in 2023, even if economic expansion was only moderate. Industrial production and world trade remained without momentum until the end of the year. The experts at IfW Kiel expect global gross domestic product (GDP) to have risen by a total of 3.1% for the past financial year 2023. Major differences in economic momentum were recorded both in the advanced economies and in the emerging markets. With regard to China, IfW Kiel experts note that, by historical comparison, the pace of expansion is still low and that China has largely lost its role as the engine of global economic expansion. In addition, accelerated inflation in Argentina and Turkey had a negative impact on economic development.

### SPORTING GOODS INDUSTRY

The sporting goods industry was faced with various challenges in 2023, which contributed to a difficult market environment. This was mainly due to the sharp rise in inflation, which led to a corresponding negative impact on consumer spending. In addition, excess inventory and sales-promoting measures were unfavourable to industry development.

Major sporting events in 2023, such as the Athletics World Championships in Hungary and the FIFA Women's World Cup in Australia and New Zealand, had a positive effect on the sporting goods industry. To our knowledge, sporting activity and the pursuit of an increasingly healthy and sustainable lifestyle continued to gain in importance for an ever-increasing proportion of the world's population, following the COVID-19 pandemic. Among other things, this resulted in the increased popularity of athletic footwear and leisure/athletic apparel as an integral part of everyday fashion ("athleisure").

## SALES DEVELOPMENT

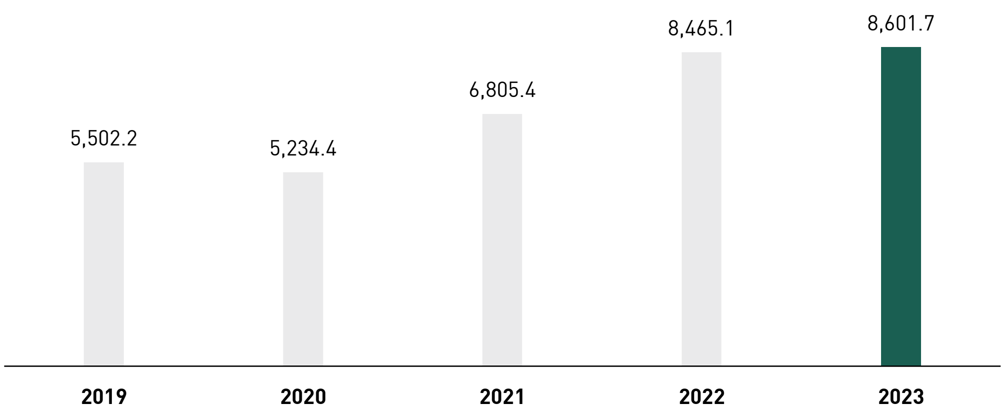
### ILLUSTRATION OF SALES DEVELOPMENT IN 2023 COMPARED TO THE OUTLOOK

In its combined management report for 2022, PUMA forecast a currency-adjusted increase in sales in the high single-digit percentage range for financial year 2023. Sales development was affected by the significant devaluation of the Argentine peso and the associated translation effects at the closing rate, which had an extraordinary impact in the fourth quarter and on the full-year 2023. Due to the extent and timing of these currency effects, we were unable to fully compensate for the overall negative impact at the end of the year. Nevertheless, sales development was largely in line with the outlook. More details on sales development in the financial year 2023 are provided below.

### SALES

PUMA's sales in the reporting currency, the euro, increased by 1.6% to € 8,601.7 million in the financial year 2023 (previous year: € 8,465.1 million). Currency-adjusted sales increased by 6.6%. This allowed PUMA to achieve record sales of € 8.6 billion in 2023, the year of the 75th anniversary of the company, despite the difficult market environment.

**G.05 SALES** (€ million)

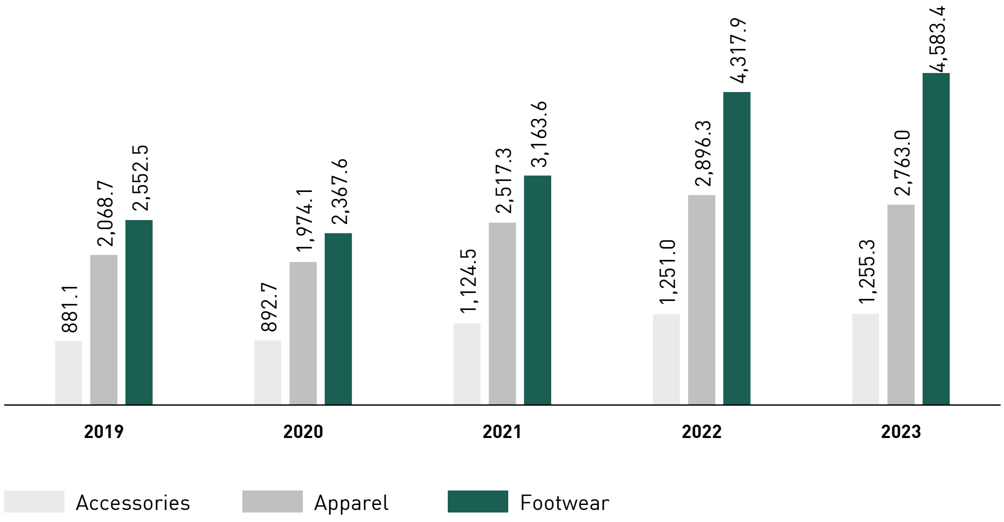



In the **footwear** division, sales increased in the reporting currency, the euro, by 6.1% to € 4,583.4 million. Currency-adjusted sales increased by 12.4%. The footwear division continued to be the growth driver and the strongest growth was achieved in the Sportstyle, Teamsport and Basketball categories. The share of the footwear division in total sales rose from 51.0% in the previous year to 53.3% in 2023.

Sales in the **apparel** division fell by 4.6% to € 2,763.0 million in the reporting currency, the euro. Adjusted for currency effects, sales fell only slightly by 0.3%. Higher sales in the categories Teamsport and Running & Training were compared to lower sales in the Sportstyle and Motorsport categories. The share of the apparel division decreased to 32.1% of Group sales (previous year: 34.2%).

The **accessories** division reported an increase in sales in the reporting currency, the euro, of 0.3% to € 1,255.3 million. This corresponds to a currency-adjusted sales growth of 3.1%. The growth in the Teamsport category was partly offset by slightly lower sales with Cobra golf clubs. In 2023, the share of the accessories division decreased to 14.6% of Group sales from 14.8% in the previous year.

## ↗ G.06 SALES BY PRODUCT DIVISIONS (€ million)

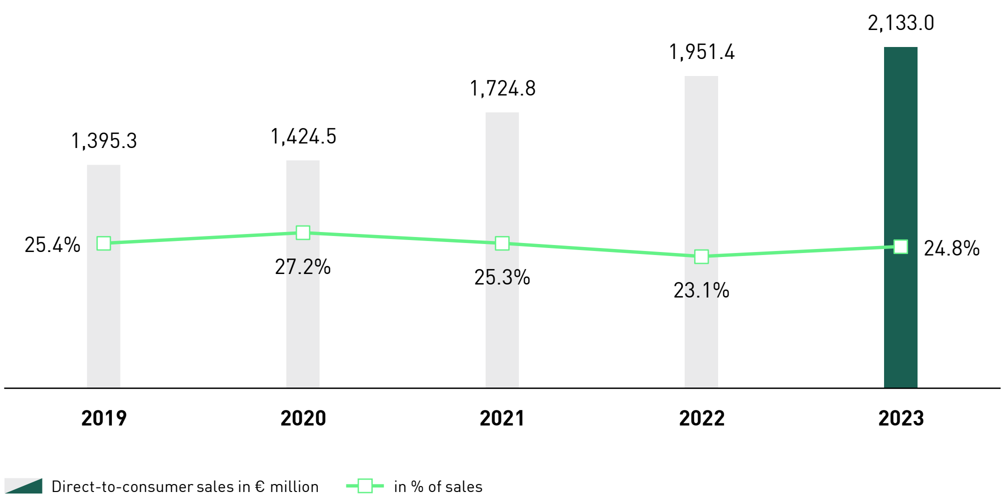



### OWN RETAIL ACTIVITIES

PUMA's own retail activities include direct sales to our consumers ("Direct-to-consumer business"). This includes selling to our customers in PUMA's own retail stores, the so-called "Full Price Stores" and "Factory Outlets". Our e-commerce business on our own online platforms and on the platforms of online retailers, which we refer to as "marketplaces", is also part of the direct sales to our consumers. Our own retail businesses ensure regional availability of PUMA products and the presentation of the PUMA brand in an environment suitable to our brand positioning.

PUMA's direct-to-consumer sales increased by 17.5% currency-adjusted to € 2,133.0 million in the financial year 2023. This corresponds to a share of 24.8% of total sales (previous year: 23.1%). Adjusted for currency effects, sales in PUMA's own full-price stores and factory outlets increased by 18.8% in 2023. In the e-commerce business, sales increased by 15.0% in 2023, adjusted for currency effects. The continued strong sales growth in our DTC business was due to continued brand desirability, the opening of own retail stores and their increase in productivity.

## ↗ G.07 DIRECT-TO-CONSUMER SALES



### LICENSING BUSINESS

PUMA grants licenses to independent partners for various product divisions, such as watches, glasses, safety shoes, workwear and gaming accessories. In addition to design, development and manufacture, these companies are also responsible for product distribution. Income from license agreements also includes some distribution licenses for different markets. PUMA's royalty and commission income increased by 14.0% to € 38.5 million in the financial year 2023 (previous year: € 33.8 million). The main reason for the increase was the granting of new licences in the golf and accessories segment.

### REGIONAL DEVELOPMENT

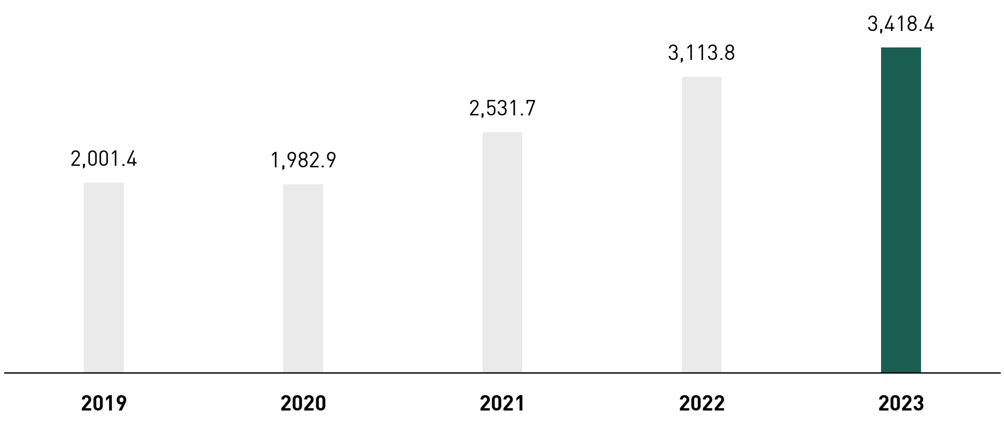
In the following explanation of the regional development of sales, the sales are allocated to the customers' actual region ("customer site"). It is divided into three geographical regions (EMEA, Americas and Asia/Pacific).

PUMA's sales in the reporting currency, the euro, increased by 1.6% in the financial year 2023. This corresponds to a currency-adjusted sales increase of 6.6% compared to the previous year. This currency-adjusted growth resulted in particular from good sales performance in the EMEA and Asia/Pacific regions, which both achieved double-digit growth rates. In contrast, the Americas region recorded a slight decrease in sales.

In the **EMEA** region, sales in the reporting currency, the euro, rose by 9.8% to € 3,418.4 million. Adjusted for currency effects, this corresponds to an increase in sales of 13.4%. Almost all countries in the region, with the exception of Great Britain and Sweden, contributed to this development with sales growth. Particularly strong growth came from Germany, Spain, Italy and Turkey. In terms of Group sales, the EMEA region's share rose from 36.8% in the previous year to 39.7% in 2023.

With regard to product divisions, sales from footwear recorded a currency-adjusted increase of 21.7%. Currency-adjusted sales of apparel increased by 8.2%. Currency-adjusted sales of accessories rose by 2.5%.

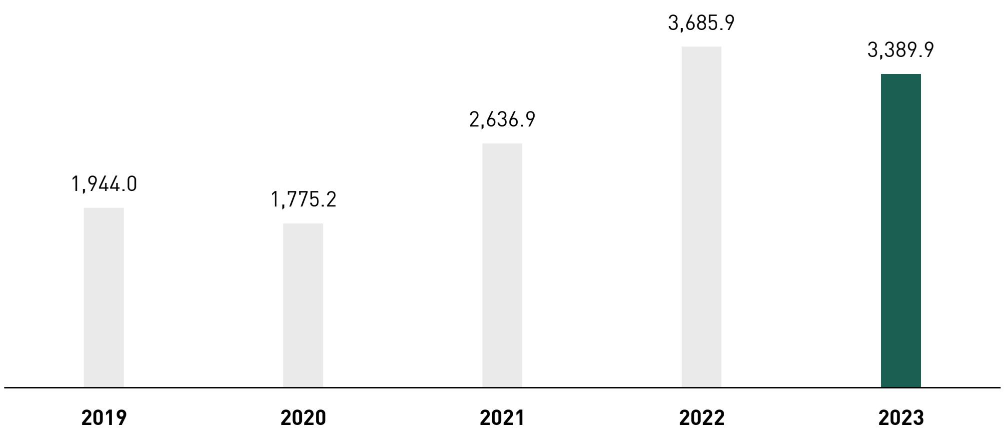
↗ **G.08 EMEA SALES** (€ million)



In the **Americas** region, sales in the reporting currency, the euro, decreased by 8.0% to € 3,389.9 million. The decline in sales in the reporting currency was impacted by negative exchange rate effects due to the strong devaluation of the Argentine peso against the euro. Currency-adjusted sales decreased by 2.4%. The currency-adjusted sales decline was mainly due to a difficult macroeconomic environment, high inventory levels in the trade and PUMA's relative dependence on the off-price wholesale business in the USA. The Americas region's share of Group sales decreased from 43.5% in the previous year to 39.4% in 2023.

In terms of product divisions, both footwear (+1.5% currency-adjusted) and accessories (+4.8% currency-adjusted) recorded sales growth compared to the previous year. In contrast, currency-adjusted sales in the apparel division fell by 13.3%.

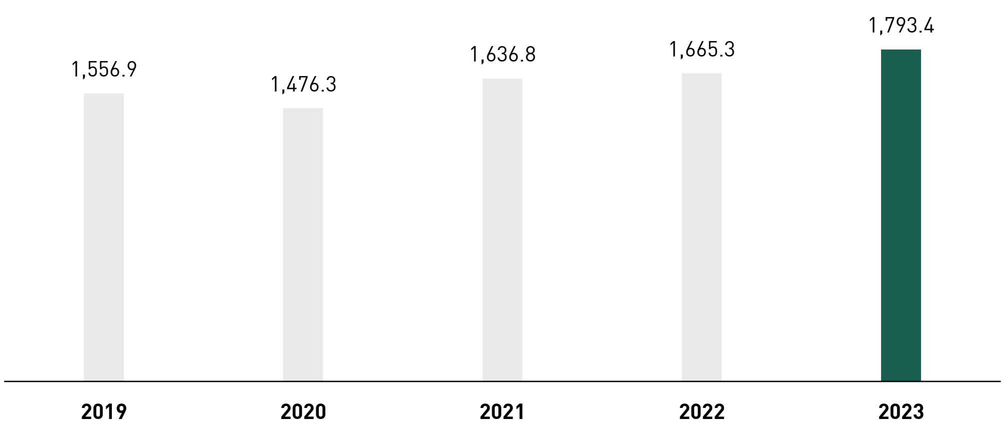
↗ **G.09 AMERICAS SALES** (€ million)




In the **Asia/Pacific** region, sales in the reporting currency, the euro, rose by 7.7% to € 1,793.4 million. Adjusted for currency effects, this corresponds to an increase in sales of 13.6%. While China, India and Singapore, among others, recorded double-digit sales growth, sales declined in South Korea and Australia. The share of the Asia/Pacific region in Group sales increased from 19.7% in the previous year to 20.8% in 2023.

In terms of product divisions, both footwear (+22.6% currency-adjusted) and apparel (+5.9% currency-adjusted) recorded sales growth compared to the previous year. In contrast, currency-adjusted sales in the accessories division fell by 1.4%.

↗ **G.10 ASIA/PACIFIC SALES** (€ million)



## RESULTS OF OPERATIONS

### ↗ T.01 INCOME STATEMENT

| | 2023 | | 2022 | | |
|---|---|---|---|---|---|
| | **€ million** | **%** | **€ million** | **%** | **+/-%** |
| **Sales** | **8,601.7** | **100.0%** | **8,465.1** | **100.0%** | **1.6%** |
| Cost of sales | -4,615.1 | -53.7% | -4,562.3 | -53.9% | 1.2% |
| **Gross profit** | **3,986.6** | **46.3%** | **3,902.7** | **46.1%** | **2.1%** |
| Royalty and commission income | 38.5 | 0.4% | 33.8 | 0.4% | 14.0% |
| Other operating income and expenses | -3,403.5 | -39.6% | -3,295.9 | -38.9% | 3.3% |
| **Operating Result (EBIT)** | **621.6** | **7.2%** | **640.6** | **7.6%** | **-3.0%** |
| Financial result | -143.3 | -1.7% | -88.9 | -1.1% | 61.2% |
| **Earnings before taxes (EBT)** | **478.3** | **5.6%** | **551.7** | **6.5%** | **-13.3%** |
| Taxes on income | -117.8 | -1.4% | -127.4 | -1.5% | -7.5% |
| - Tax rate | 24.6% | | 23.1% | | |
| Net income attributable to non-controlling interests | -55.7 | -0.6% | -70.9 | -0.8% | -21.4% |
| **Net income** | **304.9** | **3.5%** | **353.5** | **4.2%** | **-13.7%** |
| Weighted average number of outstanding shares (million shares) | 149.85 | | 149.65 | | 0.1% |
| Weighted average number of outstanding shares, diluted (million shares) | 149.87 | | 149.66 | | 0.1% |
| Earnings per share (€) | 2.03 | | 2.36 | | -14.0% |
| Earnings per share (€) - diluted | 2.03 | | 2.36 | | -14.0% |

### ILLUSTRATION OF EARNINGS DEVELOPMENT IN 2023 COMPARED TO THE OUTLOOK

In the outlook in the combined management report for 2022, PUMA forecast an operating result (EBIT) in the range between € 590 million and € 670 million for the financial year 2023 (2022: € 641 million). Thanks to continued strong brand momentum, exciting product launches, strong partnerships along the value chain, and supported by our operational flexibility, PUMA was able to fully achieve its forecast for operating result for the full-year 2023, despite the significant devaluation of the Argentine peso.

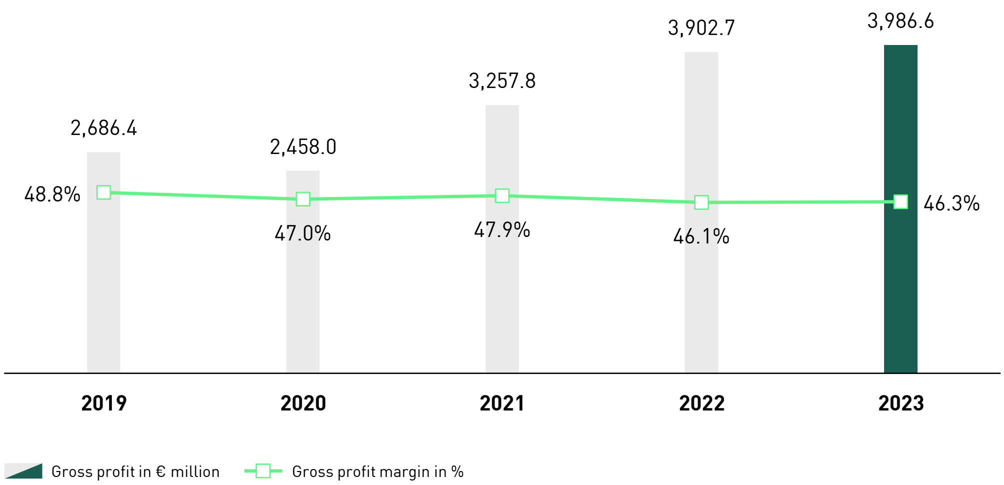
More details on earnings development in the financial year under review are provided below.

### GROSS PROFIT MARGIN

PUMA's gross profit in the financial year 2023 increased by 2.1% from € 3,902.7 million to € 3,986.6 million. The gross profit margin improved by 20 basis points from 46.1% to 46.3%. The increase was due to price adjustments, a more favourable regional and distribution channel mix, and positive currency effects. In contrast, a discount-intensive market environment with higher sales-promoting measures, fluctuating sourcing prices due to raw materials and fluctuating freight costs had a negative effect.

The gross profit margin in the footwear division improved from 44.9% in the previous year to 45.4% in 2023. The gross profit margin for apparel increased from 47.3% to 47.8%. In contrast, the gross profit margin for accessories fell from 47.4% to 46.6%.

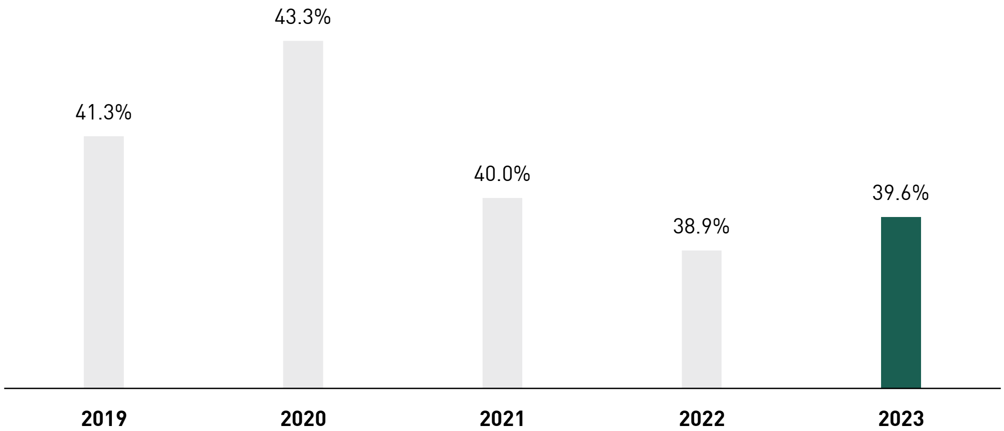
**G.11 GROSS PROFIT/GROSS PROFIT MARGIN**



## OTHER OPERATING INCOME AND EXPENSES

The net expense of other operating income and expenses (OPEX) increased by 3.3% in financial year 2023 to € 3,403.5 million (from € 3,295.9 million in the previous year). The increase is due to sales-related distribution and other variable costs, the strong growth in our DTC sales channel and higher marketing investments. This development was partially offset by operational leverage in other cost areas and favourable exchange rate effects. The cost ratio increased from 38.9% in the previous year to 39.6% in 2023.

**G.12 OPERATING EXPENSES** (as a % of sales)




Within selling expenses, marketing/retail expenses increased by 4.1% to € 1,643.2 million, while the cost ratio was 19.1% of sales in 2023, compared with a cost ratio of 18.6% in the previous year. Other selling expenses, which mainly include sales-related costs and costs for warehousing and logistics, increased by 5.2% to € 1,155.8 million. The cost ratio of other selling expenses decreased to 13.4% of sales in 2023 compared to a cost ratio of 13.0% in the previous year.

Research and development/product management expenses increased by 12.0% to € 171.5 million compared to the previous year and the cost ratio rose slightly to 2.0%. Other operating income amounted to € 17.8 million in the past financial year and essentially includes income from the sale of fixed assets and income from the disposal of finance leases. General and administrative expenses fell by 3.2% to € 450.9 million in 2023. The cost ratio of general and administrative expenses improved to 5.2% of sales in 2023. Depreciation and amortisation is included in the relevant costs and total € 351.7 million (previous year: € 332.8 million). In addition, the respective costs include impairment expenses totalling € 5.7 million and corresponding reversals of impairment losses in the amount of € 11.9 million.

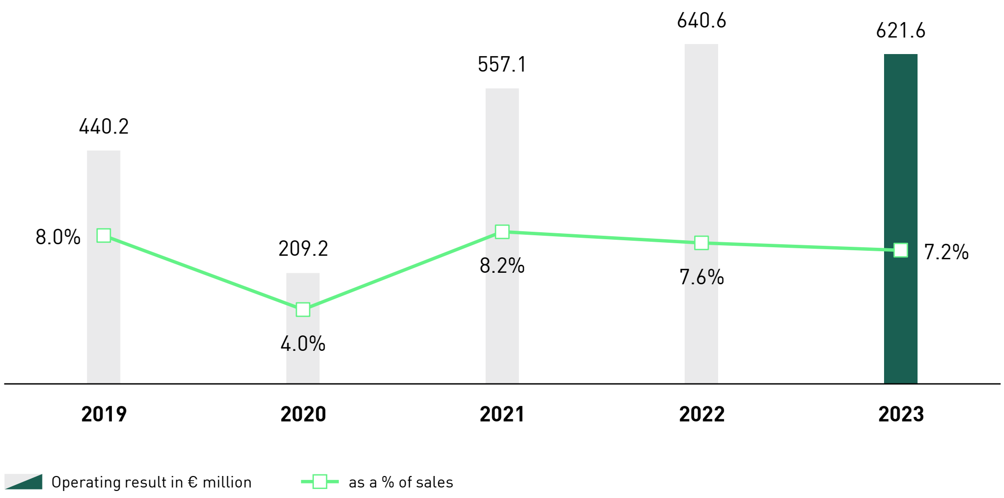
## RESULT BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA)

The result before interest (= financial result), taxes, depreciation and amortisation (including impairment losses and reversals of impairment losses) (EBITDA) decreased by 3.2% to € 967.1 million in financial year 2023 (from € 999.3 million in the previous year). The EBITDA margin decreased from 11.8% in the previous year to 11.2% in 2023.

## OPERATING RESULT (EBIT)

In the 2023 financial year, operating result decreased by 3.0% to € 621.6 million (from € 640.6 million in the previous year). Despite higher sales and an improved gross profit margin, the slightly stronger increase in other operating income and expenses in comparison with sales led to this decline. The EBIT margin decreased from 7.6% in the previous year to 7.2% in 2023.

### ↗ G.13 OPERATING RESULT




## FINANCIAL RESULT

The financial result in 2023 decreased from a total of € -88.9 million in the previous year to € -143.3 million. This development is mainly due to the sharp increase in expenses from currency conversion differences totalling € -69.4 million in 2023, compared to just € - 2.2 million in the previous year, and also includes valuation losses in connection with the devaluation of the Argentine peso. The increase in interest expenses in 2023 to a total of € -100.8 million (previous year: € - 54.4 million) also contributed significantly to this development. In contrast, interest income increased to a total of € 37.8 million in 2023 (previous year: € 32.3 million) and expenses from hyperinflation effects fell to € - 23.7 million (previous year: € - 27.8 million). The remaining other financial income and expenses, which in particular include interest components in connection with forward exchange contracts ("swap points"), improved to € 12.8 million compared to € - 36.8 million in the previous year.

## EARNINGS BEFORE TAXES (EBT)

In the financial year 2023, PUMA generated earnings before taxes of € 478.3 million. This corresponds to a decrease of 13.3% compared to the previous year (€ 551.7 million). Tax expenses decreased to € 117.8 million, compared to € 127.4 million in the previous year. Accordingly, the tax rate rose from 23.1% to 24.6% in 2023.

### NET EARNINGS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Net earnings attributable to non-controlling interests relate to companies in the North American market, in each of which the same shareholder holds a minority stake. The earnings attributable to these interests decreased by 21.4% to € 55.7 million in the financial year 2023 (previous year: € 70.9 million). The companies affected are PUMA United North America LLC, PUMA United Aviation North America LLC, PUMA United Canada ULC and Janed Canada LLC. The business purpose of these companies is mainly the sale of socks, bodywear, accessories and children's apparel in the North American market.

### CONSOLIDATED NET INCOME

Consolidated net income decreased by 13.7% in financial year 2023 to € 304.9 million (from € 353.5 million). Despite higher sales and an improved gross profit margin, the slightly stronger increase in other operating income and expenses compared to sales and the declining financial result led to this development.

Earnings per share and diluted earnings per share decreased from € 2.36 in the previous year to € 2.03 in the financial year 2023, in line with the development of the consolidated net income.

## DEVELOPMENT OF THE SEGMENTS

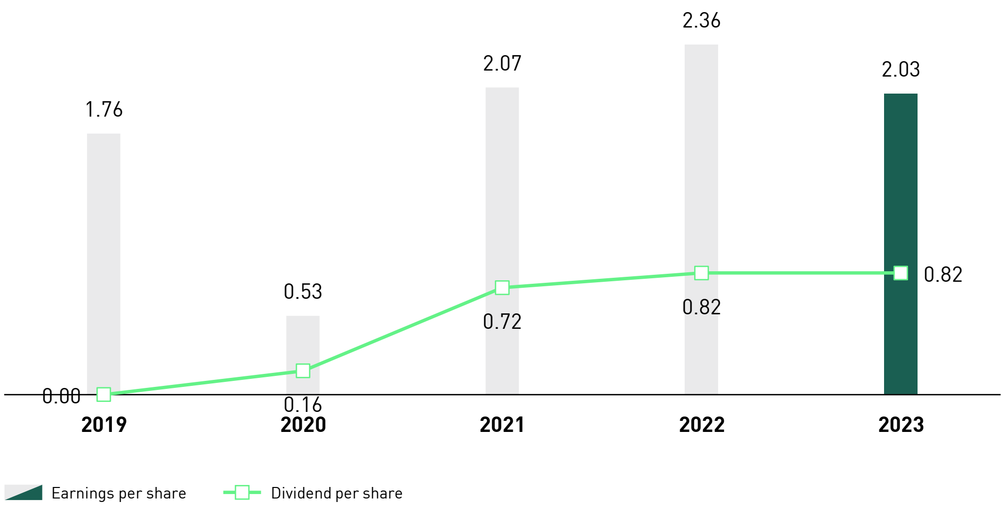
Internal management of the PUMA Group is carried out across seven segments (Europe, EEMEA, North America, Latin America, Greater China, Asia/Pacific (excluding Greater China) and stichd), based on the registered office of the respective subsidiaries. The differences from the presented regional development of sales are essentially down to the separated "stichd" segment and India and Southeast Asia, which are allocated to the EEMEA segment.

The operating segments developed in line with the trends already discussed. Exceptions were the EEMEA segment, which showed double-digit growth rates due to the comparatively strong growth of sales and operating result in several countries and especially in Turkey. In the North America segment, the difficult macroeconomic environment, high inventory levels in the trade and the relative dependence on wholesale business in the off-price segment led to a decline in sales and operating result. In the Latin America segment, operating result was only at the previous year's level, despite double-digit sales growth in Mexico, Chile and Brazil. This was mainly due to the negative currency exchange effects resulting from the sharp devaluation of the Argentine peso, which had a strong impact on profitability in the Latin America segment. In the Greater China segment, double-digit sales growth and a significant improvement in operating result were achieved due to the continued recovery and re-opening of the market. The stichd segment recorded a decline in operating result due to start-up costs in the Formula 1 business and due to expenses in connection with the implementation of SAP in 2023.

## DIVIDENDS

The positive net income enables the Management Board and the Supervisory Board of PUMA SE to propose the distribution of a dividend of € 0.82 per share for the financial year 2023 at the Annual General Meeting on 22 May 2024. This corresponds to a payout ratio of 40.3% of consolidated net income. The higher payout ratio results from the strong improvement in free cash flow and reflects the underlying positive operating business development. In general, PUMA's dividend policy continues to provide for a payout of 25% to 35% of consolidated net income. The payment of the dividend is to take place in the days after the Annual General Meeting at which the decision is made on the payout. In the previous year, a dividend of € 0.82 per share was paid out (payout ratio for previous year: 34.7%).

### ↗ G.14 **EARNINGS/DIVIDEND PER SHARE** (in €)



## NET ASSETS AND FINANCIAL POSITION

### ↗ T.02 BALANCE SHEET

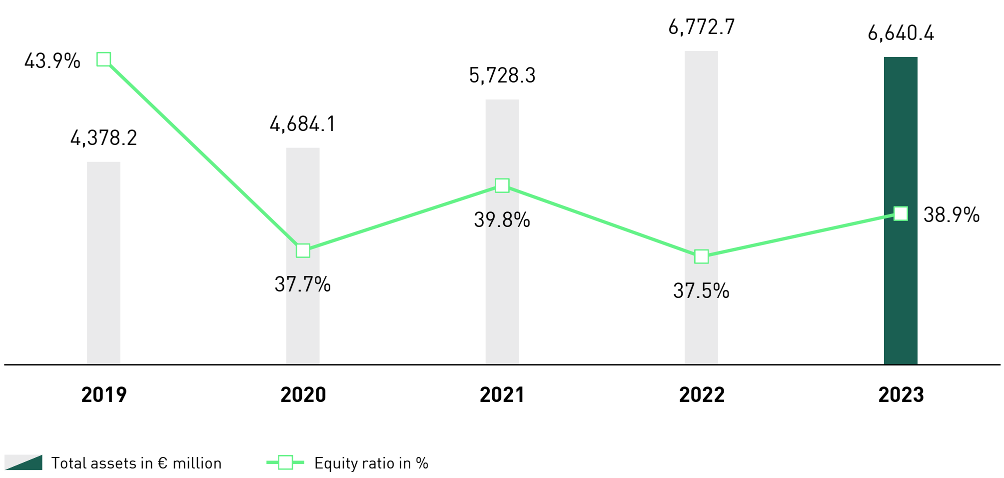
| | 31 Dec. 2023 | | 31 Dec. 2022 | | |
|---|---|---|---|---|---|
| | **€ million** | **%** | **€ million** | **%** | **+/-%** |
| Cash and cash equivalents | 552.9 | 8.3% | 463.1 | 6.8% | 19.4% |
| Inventories * | 1,804.4 | 27.2% | 2,245.1 | 33.1% | -19.6% |
| Trade receivables * | 1,118.4 | 16.8% | 1,064.9 | 15.7% | 5.0% |
| Other current assets * | 385.6 | 5.8% | 304.1 | 4.5% | 26.8% |
| Other current assets | 69.8 | 1.1% | 123.2 | 1.8% | -43.4% |
| **Current assets** | **3,931.1** | **59.2%** | **4,200.4** | **62.0%** | **-6.4%** |
| | | | | | |
| Deferred tax assets | 296.1 | 4.5% | 295.0 | 4.4% | 0.3% |
| Right-of-use assets | 1,087.7 | 16.4% | 1,111.3 | 16.4% | -2.1% |
| Other non-current assets | 1,325.6 | 20.0% | 1,166.0 | 17.2% | 13.7% |
| **Non-current assets** | **2,709.3** | **40.8%** | **2,572.3** | **38.0%** | **5.3%** |
| **Total assets** | **6,640.4** | **100.0%** | **6,772.7** | **100.0%** | **-2.0%** |
| Current borrowings | 145.9 | 2.2% | 75.9 | 1.1% | 92.3% |
| Trade payables * | 1,499.8 | 22.6% | 1,734.9 | 25.6% | -13.6% |
| Other current liabilities * | 631.3 | 9.5% | 792.3 | 11.7% | -20.3% |
| Current lease liabilities | 212.4 | 3.2% | 200.2 | 3.0% | 6.1% |
| Other current liabilities | 47.7 | 0.7% | 39.7 | 0.6% | 20.1% |
| **Current liabilities** | **2,537.2** | **38.2%** | **2,843.0** | **42.0%** | **-10.8%** |
| | | | | | |
| Non-current borrowings | 426.1 | 6.4% | 251.5 | 3.7% | 69.4% |
| Deferred tax liabilities | 12.4 | 0.2% | 42.0 | 0.6% | -70.5% |
| Pension provisions | 22.5 | 0.3% | 22.4 | 0.3% | 0.7% |
| Non-current lease liabilities | 1,020.0 | 15.4% | 1,030.3 | 15.2% | -1.0% |
| Other non-current liabilities | 40.0 | 0.6% | 44.7 | 0.7% | -10.5% |
| **Non-current liabilities** | **1,520.9** | **22.9%** | **1,390.9** | **20.5%** | **9.4%** |
| **Equity** | **2,582.3** | **38.9%** | **2,538.8** | **37.5%** | **1.7%** |
| **Total liabilities and equity** | **6,640.4** | **100.0%** | **6,772.7** | **100.0%** | **-2.0%** |
| | | | | | |
| **Working Capital** | **1,177.3** | | **1,086.8** | | **8.3%** |
| - in % of sales | 13.7% | | 12.8% | | |

* included in working capital

## EQUITY RATIO

PUMA has a very solid capital base. As of the balance sheet date, the equity of the PUMA Group increased by 1.7%, from € 2,538.8 million in the previous year to € 2,582.3 million as of 31 December 2023. Although the positive consolidated income contributed to the increase in Group equity, there was a negative impact of € - 85.9 million from the other comprehensive income that is directly recorded in equity, mainly due to negative currency conversion differences. The balance sheet total decreased slightly by 2.0% as at the balance sheet date, to € 6,640.4 million (from € 6,772.7 million in the previous year). Overall, this resulted in an increase in the equity ratio of 1.4 percentage points from 37.5% in the previous year to 38.9% as at 31 December 2023.

### ↗ G.15 BALANCE SHEET TOTAL/EQUITY RATIO



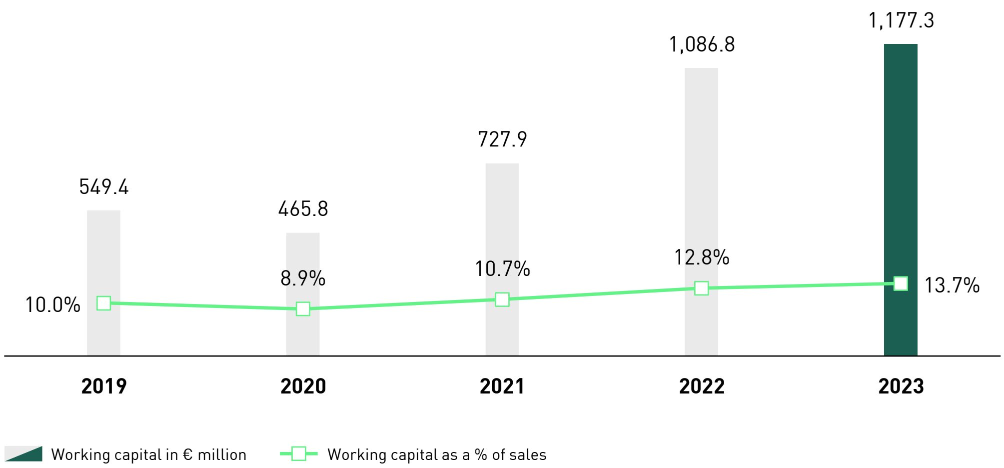

## WORKING CAPITAL

As of the balance sheet date, working capital increased by 8.3% from € 1,086.8 million in the previous year to € 1,177.3 million as of 31 December 2023. In relation to sales in the respective financial year, this corresponds to an increase in the working capital ratio from 12.8% in the previous year to 13.7% at the end of 2023. This development was mainly attributable to the decline of trade payables due to the adjusted sourcing volumes in 2023 and the decrease in other current liabilities and provisions included in working capital. In addition, higher trade receivables and higher other current assets attributable to working capital contributed to the increase. In contrast, the reduction in inventories had the opposite effect.

On the assets side, inventories fell by 19.6% as at the balance sheet date, to € 1,804.4 million (from € 2,245.1 million). This development shows that our previous measures to reduce inventories to an appropriate level were successful. Trade receivables increased due to longer customary payment terms by 5.0% to € 1,118.4 million (from € 1,064.9 million) as at the balance sheet date. Other current assets, which are attributable to working capital rose by 26.8% to € 385.6 million (from € 304.1 million), primarily due to higher advance payments and tax refund claims.

On the liabilities side, trade payables decreased by 13.6% to € 1,499.8 million (from € 1,734.9 million) due to the adjusted sourcing volumes. The other current liabilities and provisions, which are contained in working capital and include, among other things, customer bonus and warranty provisions, decreased by 20.3% to € 631.3 million (from € 792.3 million).

## ↗ G.16 WORKING CAPITAL




### OTHER ASSETS AND OTHER LIABILITIES

Other current assets outside of working capital include, in particular, the positive market value of derivative financial instruments and current receivables from leases. Overall, other current assets outside of working capital decreased to € 69.8 million, compared to € 123.3 million in the previous year.

Right-of-use assets fell slightly by 2.1% to € 1,087.7 million (from € 1,111.3 million in the previous year). The decline was due to the ongoing depreciation of right-of-use assets and the effects of subleasing. In contrast, the additions to right-of-use assets in 2023 were mainly related to newly opened retail stores and extensions or contract amendments to existing retail stores as well as the opening of new warehouses or the expansion of existing warehouses. The right-of-use assets referred to own retail stores totalling € 464.2 million (previous year: € 430.9 million), warehouses and offices totalling € 557.7 million (previous year: € 613.1 million) and other lease items, mainly technical equipment and machines and motor vehicles, totalling € 65.7 million as of 31 December 2023 (previous year: € 67.3 million). The associated current and non-current leasing liabilities remained virtually unchanged overall.

Other non-current assets, which mainly comprise intangible assets and property, plant and equipment, increased by 13.7% to € 1,325.6 million (from € 1,166.0 million) in the past financial year. The increase is linked to the expansion of investment activities in 2023, following lower investments in non-current assets in previous years. In addition, the acquisition of investment property totaling € 21.1 million contributed to the increase.

As at 31 December 2023, current borrowings include the current proportion of promissory note loans in the amount of € 125.0 million (previous year: € 60.0 million) and short-term bank liabilities amounting to € 20.9 million (previous year: € 15.9 million).

Other current liabilities, which exclusively include the negative market value of derivative financial instruments, increased from € 39.7 million to € 47.7 million compared to the previous year.

Non-current borrowings include promissory note loans totalling € 426.1 million (previous year: € 251.5 million).

Pension provisions remained almost unchanged at € 22.5 million (previous year: € 22.4 million).

Other non-current liabilities amounted to € 40.0 million as at the balance sheet date (previous year: € 44.7 million).

## CASH FLOW

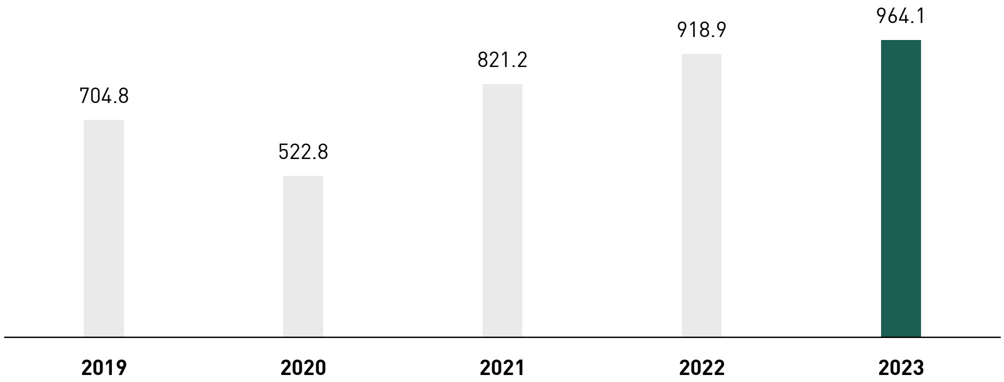
### ↗ T.03 CASH FLOW STATEMENT

| | 1-12/2023 € million | 1-12/2022 € million | +/-% |
|---|---|---|---|
| **Earnings before taxes (EBT)** | **478.3** | **551.7** | **-13.3%** |
| Financial result and non-cash effected expenses and income | 485.7 | 367.2 | 32.3% |
| **Gross cash flow** | **964.1** | **918.9** | **4.9%** |
| Change in current assets, net | -129.2 | -343.3 | -62.4% |
| Payments for taxes on income | -181.3 | -157.4 | 15.2% |
| **Net cash from operating activities** | **653.6** | **418.3** | **56.3%** |
| Payments for investing in fixed assets | -300.4 | -263.6 | 13.9% |
| Other investing and divestment activities incl. interest received | 15.8 | 22.9 | -31.1% |
| **Net cash used in investing activities** | **-284.6** | **-240.8** | **18.2%** |
| **Free cash flow** | **369.0** | **177.5** | **107.9%** |
| **Free cash flow (before acquisitions)** | **369.0** | **177.5** | **107.9%** |
| Dividend payments to shareholders of PUMA SE | -122.8 | -107.7 | 14.0% |
| Dividend payments to non-controlling interests | -92.4 | -73.3 | 26.2% |
| Proceeds from borrowings | 299.6 | 17.9 | 1571.2% |
| Cash repayments of borrowings | -59.1 | -69.5 | -14.9% |
| Repayments of lease liabilities | -208.0 | -190.0 | 9.4% |
| Interest paid | -94.3 | -53.8 | 75.3% |
| **Net cash used in financing activities** | **-277.1** | **-476.4** | **-41.8%** |
| Exchange rate-related changes in cash and cash equivalents | -2.1 | 4.4 | -146.8% |
| **Changes in cash and cash equivalents** | **89.8** | **-294.4** | **-130.5%** |
| Cash and cash equivalents at the beginning of the financial year | 463.1 | 757.5 | -38.9% |
| **Cash and cash equivalents at the end of the financial year** | **552.9** | **463.1** | **19.4%** |

### NET CASH FROM OPERATING ACTIVITIES

Gross cash flow increased by 4.9% to € 964.1 million in financial year 2023 (from € 918.9 million in the previous year). This development was due to the increase in non-cash adjustments relating to the financial result and other non-cash expenses and income by 32.3% to € 485.7 million. In contrast, earnings before taxes decreased by 13.3% to € 478.3 million.

↗ **G.17 GROSS CASH FLOW** (€ million)




As a result of the smaller increase in working capital compared to the previous year, there was a lower cash outflow from the change in net working capital* of € - 129.2 million in financial year 2023, compared to a cash outflow of € - 343.3 million in the previous year. The cash outflow from payments for income taxes increased from € - 157.4 million in the previous year to € - 181.3 million in financial year 2023. On balance, due to the improvement in gross cash flow and the lower cash outflows in connection with working capital, there was a significant improvement in cash inflow from operating activities, which rose by 56.3% to € 653.6 million (from € 418.3 million).

### NET CASH USED IN INVESTING ACTIVITIES

In the financial year 2023, cash outflow from investment activities increased from a total of € 240.8 million to € 284.6 million. The investments in fixed assets included in this figure increased from € 263.6 million in the previous year to € 300.4 million in 2023 in line with our investment planning. The increase mainly related to investments in our own retail stores, in our logistics infrastructure and in investment properties. In addition, investments in the modernisation of the IT infrastructure continued to be made. The increase in capital expenditures relates in particular to the North America and Latin America segments and the central area, which is not allocated to the business segments.

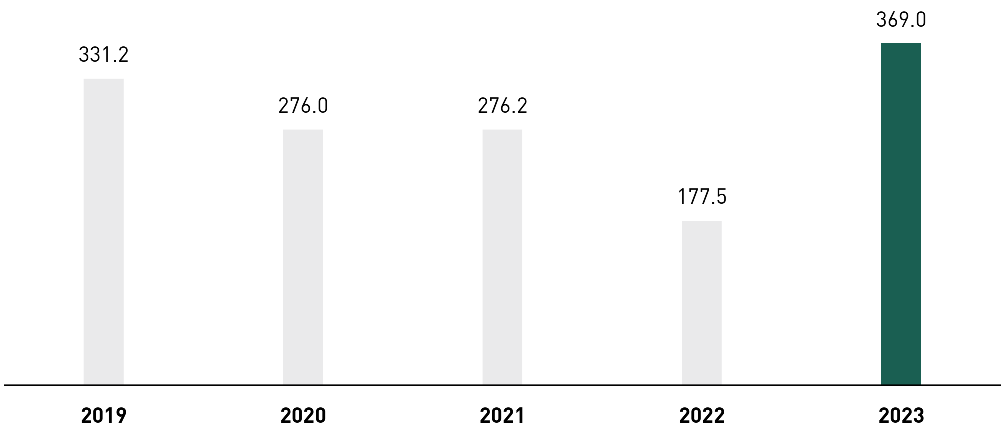
* Net current assets include working capital line items plus current assets and liabilities, which are not part of the working capital calculation. Current lease liabilities are not part of the net current assets.

## FREE CASH FLOW BEFORE ACQUISITIONS

The free cash flow before acquisitions is the balance of the cash inflows and outflows from operating and investing activities. In addition, an adjustment is made for incoming and outgoing payments that relate to the purchase or sale of shareholdings, where applicable. No acquisitions or disposals of investments were made in 2022 and 2023.

Free cash flow before acquisitions improved from € 177.5 million in the previous year to € 369.0 million in the financial year 2023. Free cash flow before acquisitions was 4.3% of sales compared to 2.1% in the previous year.

**↗ G.18 FREE CASH FLOW (BEFORE ACQUISITIONS)** (€ million)




## NET CASH USED IN FINANCING ACTIVITIES

The net cash used in financing activities decreased overall from a cash outflow of € 476.4 million in the previous year to a cash outflow of € 277.1 million in 2023. The decline in cash outflow was mainly due to increased proceeds from taking on financial borrowings.

A dividend payment of € 122.8 million was distributed to the shareholders of PUMA SE for the financial year 2022. In the previous year, the dividend payment was € 107.7 million. The net cash used in financing activities also included payouts to non-controlling interests totalling € 92.4 million in 2023 (previous year: € 73.3 million). Cash inflows from borrowings amounted to € 299.6 million, compared with cash inflows of € 17.9 million in the previous year. In the financial year 2023, payments made for the repayment of financial borrowings totalled € 59.1 million (previous year: € 69.5 million). The cash outflows for the repayment of leasing liabilities and related interest expenses included in the cash outflow from financing activities increased from a total of € 228.7 million in the previous year to € 254.8 million in 2023.

As of 31 December 2023, PUMA had cash and cash equivalents of € 552.9 million, an increase of 19.4% compared with the previous year (€ 463.1 million). The PUMA Group also had credit lines totalling € 1,552.8 million as of 31 December 2023 (previous year: € 1,271.0 million). Unutilised credit lines amounted to € 986.1 million as at the balance sheet date, compared to € 943.7 million in the previous year.

## STATEMENT REGARDING THE BUSINESS DEVELOPMENT AND THE OVERALL SITUATION OF THE GROUP

In financial year 2023, we were confronted with an increasingly difficult geopolitical and macroeconomic market environment. The conflict in the Middle East, the war in Ukraine, persistent inflation and risks of recession had a negative impact on the consumer sentiment and led to volatile retail demand. We therefore considered 2023 to be a transitional year. In 2023, we continued to focus on overcoming the short-term challenges without compromising the medium and long-term success of PUMA. Accordingly, we prioritised sales growth and increasing market share over short-term profitability optimisation. Despite the difficult market environment, we were able to further increase PUMA's sales based on our operating flexibility. In the past financial year, we were also able to fully achieve our target in terms of operating result.

Our focus on the PUMA family is an important cornerstone of our corporate strategy. We want to offer our employees an attractive working environment and diversity plays an important role in our corporate culture. In 2023, PUMA received multiple awards for this successful strategy, including the "Top Employer Award" for 24 PUMA subsidiaries in the Europe, Asia/Pacific and Latin and North America regions. We can therefore continue to call ourselves a "Global Top Employer". We were also named one of the "World's Best Employers" by Forbes and a "Leader in Diversity" by the Financial Times, and awarded the "Great Place to Work" seal in numerous countries. We were able to further optimise our processes by upgrading the logistics centres in our main markets, and by expanding existing warehouses and opening new ones. We also invested in improving our IT infrastructure, product development and ERP systems.

We were able to achieve currency-adjusted sales growth of 6.6% in the financial year 2023. Sales development was affected by the significant devaluation of the Argentine peso, which had an extraordinary impact in the fourth quarter and on the full-year 2023. Due to the extent and timing of these currency effects, we were unable to fully compensate for all of the negative impacts at the end of the year. Nevertheless, sales development was mainly in the high single-digit percentage range, in line with the outlook for currency-adjusted sales growth. In addition to sales growth, the gross profit margin improved. However, these positive effects were offset by the slightly stronger increase in other operating income and expenses compared to sales.

Operating result (EBIT) of € 621.6 million in the past financial year was in line with our forecast of a range between € 590 million and € 670 million. Despite the significant devaluation of the Argentine peso, we have therefore fully achieved our target in terms of operating result in the past financial year. The devaluation of the Argentine peso had a particularly negative effect on the financial result. Because of this, consolidated net income amounted to € 304.9 million compared to € 353.5 million in the previous year. This corresponds to a decrease of 13.7%. Earnings per share therefore decreased from € 2.36 in the previous year to € 2.03. Under the given circumstances of a challenging macroeconomic environment worldwide and the exceptional devaluation of the Argentine peso, we are very satisfied with the achievement of objectives in financial year 2023. We believe that, despite the exceptional devaluation of the Argentine peso, the business development of PUMA in 2023 reflects strong underlying operational development and strict cost discipline.

With regard to the consolidated balance sheet, we believe that PUMA continues to have a very solid capital base. As of the balance sheet date, the PUMA Group's equity amounted to nearly € 2.6 billion and the equity ratio was 38.9%.

Our measures to right-size inventories to an appropriate level contributed to limiting the increase in our working capital in 2023. This is also reflected in the improvement in the cash flow from operating activities and free cash flow. Our cash and cash equivalents amounted to € 552.9 million as of the balance sheet date. In addition, the PUMA Group has unutilised credit lines totalling € 986.1 million at its disposal.

Consequently, the net assets, financial position and results of operations of the PUMA Group is overall very solid at the time the combined management report was prepared. This enables the Management Board and the Supervisory Board to propose to the Annual General Meeting on 22 May 2024 a dividend of € 0.82 per share for the financial year 2023. This corresponds to a payout ratio of 40.3% in relation to the consolidated net income according to IFRS. The higher payout ratio results from the strong improvement in free cash flow and reflects the underlying positive operating business development. In general, PUMA's dividend policy continues to provide for a payout of 25% to 35% of consolidated net income.

# COMMENTS ON THE FINANCIAL STATEMENTS OF PUMA SE IN ACCORDANCE WITH THE GERMAN COMMERCIAL CODE (HGB)

The annual financial statements of PUMA SE are prepared in accordance with the rules of the German Commercial Code (German GAAP, HGB), taking into account the SEAG (German SE Implementation Act) and the German Stock Corporation Act (AktG). PUMA SE is the parent company of the PUMA Group. PUMA SE's results are to a large extent influenced by the directly and indirectly held subsidiaries and shareholdings. The business development of PUMA SE is essentially subject to the same risks and opportunities as the PUMA Group. In addition, the management of earnings before taxes (EBT) is affected by changes in the financial result.

PUMA SE is responsible for wholesale business in the DACH area, consisting of the home market of Germany, Austria, and Switzerland. Furthermore, PUMA SE is also responsible for pan-European distribution for individual key accounts and for sourcing products from European production countries, as well as global licensing management. In addition, PUMA SE acts as a holding company within the PUMA Group and is as such responsible for international product development, merchandising, international marketing, the global areas of finance, operations and PUMA's strategic direction.

## RESULTS OF OPERATIONS

### ↗ T.04 INCOME STATEMENT (GERMAN GAAP, HGB)

| | 2023 | | 2022 | | |
|---|---|---|---|---|---|
| | **€ million** | **%** | **€ million** | **%** | **+/- %** |
| **Sales** | **1,243.7** | **100.0%** | **1,151.9** | **100.0%** | **8.0%** |
| Other operating income | 83.7 | 6.7% | 84.0 | 7.3% | -0.4% |
| Cost of sales | -389.5 | -31.3% | -316.4 | -27.5% | 23.1% |
| Personnel expenses | -130.8 | -10.5% | -120.2 | -10.4% | 8.8% |
| Depreciation | -36.1 | -2.9% | -36.8 | -3.2% | -2.0% |
| Other operating expenses | -898.8 | -72.3% | -816.3 | -70.9% | 10.1% |
| **Total expenses** | **-1,455.2** | **-117.0%** | **-1,289.7** | **-112.0%** | **12.8%** |
| **Financial result** | **258.8** | **20.8%** | **189.5** | **16.5%** | **36.6%** |
| **Income before Tax** | **131.0** | **10.5%** | **135.8** | **11.8%** | **-3.5%** |
| Income tax | -21.2 | -1.7% | -18.8 | -1.6% | 12.9% |
| **Net income** | **109.8** | **8.8%** | **117.0** | **10.2%** | **-6.2%** |

In the financial year 2023, **sales** increased by a total of 8.0% to €1,243.7 million. The increase resulted both from higher revenues from product sales and from higher commission income in the context of licence management. Revenues from PUMA SE product sales rose by 15.8% to €589.4 million (previous year: €508.9 million). Royalty and commission income included in sales increased by 1.7% to €599.3 million (previous year: € 589.1 million). Other sales, which mainly consisted of recharges of costs to affiliated companies, totalled € 55.0 million in 2023 (previous year: € 53.9 million).

**Other operating income** amounted to € 83.7 million in 2023 (previous year: € 84.0 million) and includes, in particular, realised and unrealised gains from currency conversion related to the measurement of receivables and liabilities in foreign currencies at the balance sheet date.

The total **expenditure** from material expenses, personnel expenses, depreciation and other operating expenses increased by 12.8% to € 1,455.2 million compared to the previous year (previous year: a total of € 1,289.7 million). The increase in material expenses compared to the previous year was mainly due to the increase in sales. The disproportionate growth in material expenses in comparison with sales resulted from intra-group sales of goods to PUMA Benelux, which were carried out without a surcharge. Personnel expenses increased due to a higher number of employees. Other operating expenses increased compared with the previous year, mainly due to increased administrative, marketing and sales expenses.

The **financial result** increased, compared to the previous year, by 36.6% to € 258.8 million. The increase was mainly due to higher profit transfer from affiliated companies. The interest result and the income from dividends from investments in affiliated companies fell slightly. In addition, the investment in Borussia Dortmund GmbH & Co. KGaA (BVB), Dortmund, was written down in the financial year due to an impairment of € 0.5 million, which is expected to be permanent.

The increase in sales was offset by the increase in expenses, which is why **earnings before income taxes** fell by 3.5% to € 131.0 million in 2023 (from € 135.8 million in the previous year). **Taxes on income** amounted to € 21.2 million (previous year: € 18.8 million). Accordingly, PUMA SE's **net income** under the German Commercial Code (German GAAP, HGB) decreased by 6.2% to € 109.8 million in the financial year 2023 (previous year: € 117.0 million).

## NET ASSETS

### ↗ T.05 BALANCE SHEET (GERMAN GAAP, HGB)

| | 31.12.2023 | | 31.12.2022 | | |
|---|---|---|---|---|---|
| | **€ million** | **%** | **€ million** | **%** | **+/- %** |
| Fixed Assets | 1,648.9 | 63.3% | 1,100.3 | 43.7% | 49.9% |
| Inventory | 85.7 | 3.3% | 115.2 | 4.6% | -25.6% |
| Receivables and other current assets | 680.9 | 26.1% | 1,177.8 | 46.8% | -42.2% |
| Cash and cash equivalents | 165.8 | 6.4% | 96.5 | 3.8% | 71.8% |
| Current Assets | 932.4 | 35.8% | 1,389.5 | 55.2% | -32.9% |
| Others | 23.7 | 0.9% | 25.2 | 1.0% | -5.9% |
| **Total Assets** | **2,605.0** | **100.0%** | **2,515.1** | **100.0%** | **3.6%** |
| Equity | 925.8 | 35.5% | 933.8 | 37.1% | -0.9% |
| Accruals/Provision | 123.7 | 4.7% | 141.9 | 5.6% | -12.8% |
| Liabilities | 1,555.0 | 59.7% | 1,438.9 | 57.2% | 8.1% |
| Others | 0.5 | 0.0% | 0.5 | 0.0% | 0.0% |
| **Total Equity & Liabilities** | **2,605.0** | **100.0%** | **2,515.1** | **100.0%** | **3.6%** |

Overall, **fixed assets** increased by 49.9% to € 1,648.9 million in 2023. The increase is mainly the result of the increase in shareholdings in the amount of € 521.9 million due to capital contributions to PUMA Sprint GmbH, Germany, as well as further investments in IT.

The decline in inventories of **current assets** by 25.6% to € 85.7 million was mainly due to more conservative purchasing behaviour, especially at the end of the year. The consolidation of inventories for Central Europe, including Benelux, and the associated improvement in the management of purchases and sales supported the positive development of inventories. Receivables and other assets decreased by a total of 42.2% compared with the previous year to € 680.9 million. In particular, lower receivables from affiliated companies contributed to this development, which resulted in particular from the capital contribution. Cash and cash equivalents increased by 71.8% to € 165.8 million compared to the previous year, due to the cash inflow from financing and investing activities.

On the **liabilities** side, equity fell slightly by 0.9% to € 925.8 million in 2023. In combination with the increase of the balance sheet total due to higher liabilities, this led to a decline in the equity ratio, which was 35.5% as at the balance sheet date of 31 December 2023 compared to 37.1% in the previous year.

Provisions decreased by 12.8% compared to the previous year to € 123.7 million. This development was mainly due to lower provisions for outstanding invoices. Liabilities increased from € 1,438.9 million in the previous year to € 1,555.0 million as of 31 December 2023. This increase primarily resulted from the increased liabilities to banks due to the taking out of a promissory note loan and, in contrast, lower liabilities to affiliated companies.

## FINANCIAL POSITION

### T.06 CASH FLOW STATEMENT (GERMAN GAAP, HGB)

| | 2023 | 2022 | |
|---|---|---|---|
| | € million | € million | +/- % |
| **Cash flow used in/ from operating activities** | **-92.6** | **4.9** | **-** |
| **Cash flow from/ used in investing activities** | **66.3** | **-441.2** | **-** |
| **Free Cash Flow** | **-26.3** | **-436.3** | **-94.0%** |
| **Cash flow from financing activities** | **95.6** | **134.0** | **-28.7%** |
| **Change in cash and cash equivalents** | **69.3** | **-302.3** | **>-100%** |
| Cash and cash equivalents at beginning of financial year | 96.5 | 398.8 | -75.8% |
| **Cash and cash equivalents at year-end** | **165.8** | **96.5** | **71.8%** |

In financial year 2023, **cash outflow from operating activities** amounted to € 92.6 million, compared to a cash inflow of € 4.9 million in the previous year. This development is mainly due to the decrease of receivables from affiliated companies. In contrast, the reduction in inventories had a positive effect.

The **cash inflow from investing activities** in 2023 is mainly due to the reduction in cash pool and loan receivables from affiliated companies. These are offset by cash outflows from investments in fixed assets.

**Cash flow from financing activities** showed a total cash inflow of € 95.6 million in 2023 (previous year: € 134.0 million). The cash inflow primarily resulted from the taking out of promissory note loans. In contrast, reduced liabilities to affiliated companies and the payment of dividends to PUMA SE shareholders for financial year 2022 in the amount of € 122.8 million led to a cash outflow.

## OUTLOOK

In PUMA SE's financial statements under German Commercial Code (German GAAP, HGB), we expect an increase in sales in the mid single-digit percentage range for the financial year 2024. Assuming dividends from investments in affiliated companies at the previous year's level, we expect earnings before tax for the financial year 2024 to be at the previous year's level.

# INFORMATION CONCERNING TAKEOVERS

The following information, valid 31 December 2023, is presented in accordance with Art. 9 p. 1 c) (ii) of the SE Regulation in conjunction with Sections 289a, 315a German Commercial Code (HGB). Details under Sections 289a, 315a HGB which do not apply at PUMA SE are not mentioned.

**Composition of the subscribed capital (Sections 289a [1][1], 315a [1][1] HGB))**
On the balance sheet date, subscribed capital totaled € 150,824,640.00 and was divided into 150,824,640 no-par value shares with a proportional amount in the statutory capital of € 1.00 per share. As of the balance sheet date, the Company held 980,096 treasury shares.

**Shareholdings exceeding 10% of the voting rights (Sections 289a [1][3], 315a [1][3] HGB)**
As of 31 December 2023, there was one shareholding in PUMA SE that exceeded 10% of the voting rights. It was held by the Pinault family via several companies controlled by them (ranked by size of stake held by the Pinault family: Financière Pinault S.C.A., Artémis S.A.S. and Kering S.A.). The shareholding of Kering S.A. in PUMA SE amounted to 1.47% of the share capital on 18 September 2023. The shareholding of Artémis S.A.S. and Kering S.A. together amounted to 29.99% of the share capital on18 September 2023.

**Statutory provisions and regulations of the Articles of Association on the appointment and dismissal of the members of the Management Board and on amendments to the Articles of Association (Sections 289a [1][6], 315a [1][6] HGB)**
Regarding the appointment and dismissal of the members of the Management Board, reference is made to the applicable statutory requirements of Section 84 German Stock Corporation Act (AktG). Moreover, Section 7[1] of PUMA SE's Articles of Association stipulates that Management Board shall consist of two members in the minimum; the Supervisory Board determines the number of members in the Management Board. The Supervisory Board may appoint deputy members of the Management Board and appoint a member of the Management Board as chairperson of the Management Board. Members of the Management Board may be dismissed only for good cause, within the meaning of Section 84[3] of the AktG or if the employment agreement is terminated, for which in each case a resolution must be adopted by the Supervisory Board with a simple majority of the votes cast.

Amendments to the Articles of Association of the Company require a resolution by the Annual General Meeting. Resolutions of the Annual General Meeting require a majority according to Art. 59 SE Regulation and Sections 133[1], 179 [2] [1] AktG (i.e. a simple majority of votes and a majority of at least three quarters of the share capital represented at the time the resolution is adopted). The Company has not made use of Section 51 SEAG.

**Authority of the Management Board to issue or repurchase shares (Sections 289a [1][7], 315a [1][7] HGB)**
The authority of the Management Board to issue shares result from Section 4 of the Articles of Association and from the statutory provisions:

AUTHORISED CAPITAL
By resolution of the Annual General Meeting on 5 May 2021, the Management Board is authorised, with approval of the Supervisory Board, to increase the share capital of the Company by up to EUR 30,000,000.00 by issuing, once or several times, new no par-value bearer shares against contributions in cash and/or kind until 4 May 2026 (Authorised Capital 2021). In case of capital increases against contributions in cash, the new shares may be acquired by one or several banks, designated by the Management Board, subject to the obligation to offer them to the shareholders for subscription (indirect pre-emption right).

The shareholders shall generally be entitled to pre-emption rights. However, the Management Board shall be authorised with approval of the Supervisory Board, to partially or completely exclude pre-emption rights

- to avoid peak amounts;
- in case of capital increases against contributions in cash if the pro-rated amount of the share capital attributable to the new shares for which pre-emption rights have been excluded does not exceed 10% of the share capital and the issue price of the newly created shares is not significantly lower than the relevant exchange price for already listed shares of the same class, Section 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz, AktG). The 10% limit of the share capital shall apply at the time of the resolution on this authorisation by the Annual General Meeting as well as at the time of exercise of the authorisation. Shares of the Company (i) which are issued or sold during the term of the Authorised Capital 2021 excluding shareholders' pre-emption rights directly or respectively applying Section 186 (3) sentence 4 AktG or (ii) which are or can be issued to service option and convertible bonds applying Section 186 (3) sentence 4 AktG while excluding shareholders' pre-emption rights during the term of the Authorised Capital 2021, shall be counted towards said limit of 10%;
- in case of capital increases against contributions in cash insofar as it is required to grant pre-emption rights regarding the Company's shares to holders of option or convertible bonds which have been or will be issued by the Company or its direct or indirect subsidiaries to such an extent to which they would be entitled after exercising option or conversion rights or fulfilling the conversion obligation as a shareholder;
- in case of capital increases against contributions in kind for carrying out mergers or for the direct or indirect acquisition of companies, participation in companies or parts of companies or other assets including intellectual property rights and receivables against the Company or any companies controlled by it in the sense of Section 17 AktG.

The total amount of shares issued or to be issued based upon this authorisation while excluding shareholders' pre-emption rights may neither exceed 10% of the share capital at the time of the authorisation becoming effective nor at the time of exercising the authorisation; this limit must include all shares which have been disposed of or issued or are to be issued during the term of this authorisation based on other authorisations while excluding pre-emption rights or which are to be issued because of an issue of option or convertible bonds during the term of this authorisation while excluding pre-emption rights. The Management Board shall be entitled, with approval of the Supervisory Board, to determine the remaining terms of the rights associated with the new shares as well as the conditions of the issuance of shares. The Supervisory Board is entitled to adjust the respective version of the Company's Articles of Association with regard to the respective use of the Authorised Capital 2021 and after the expiration of the authorisation period.

The Management Board of PUMA SE did not make use of the existing Authorised Capital in the current reporting period.

CONDITIONAL CAPITAL

The Annual General Meeting of 11 May 2022 has authorised the Management Board until 10 May 2027 with the approval of the Supervisory Board to issue once or several times, in whole or in part, and at the same time in different tranches bearer and/or registered convertible bonds and/or options and profit-participation rights and/or profit bonds or combinations thereof with or without maturity restrictions in the total nominal amount of up to € 1,500,000,000.00.

The share capital is conditionally increased by up to € 15,082,464.00 by issue of up to 15,082,464 new no-par value bearer shares (Conditional Capital 2022). The conditional capital increase shall only be implemented to the extent that conversion/option rights are exercised, or the conversion/option obligations are performed, or tenders are carried out and to the extent that other forms of performance are not applied.

No use has been made of this authorisation to date.

AUTHORISATION TO ACQUIRE TREASURY SHARES

The Annual General Meeting of 7 May 2020 resolved under agenda item 6 to authorise PUMA SE to acquire and utilise treasury shares until 6 May 2025, including the authorisation to sell treasury shares while excluding shareholders' pre-emption rights and the authorisation to offer and transfer treasury shares to third parties against non-cash consideration. The authorisation from 2020 was extended by resolution of the Annual General Meeting on 5 May 2021 to the effect that the Supervisory Board was authorised to issue treasury shares to members of the Management Board as a component of Management Board remuneration, while excluding shareholders' pre-emption rights. In addition, the authorisation from 2020 was extended by resolution of the Annual General Meeting on 11 May 2022 to the effect that the Management Board was authorised to issue shares acquired, excluding shareholders' subscription rights, in connection with share-based payment or employee share programs of the Company or its affiliated companies to persons who are or were employed by the Company or one of its affiliated companies or are a member of the management of a company affiliated with the Company. In all other aspects, the authorisation from 2020 remained unchanged.

No use has been made of the authorisation to acquire treasury shares in the reporting period.

**Significant agreements of the Company which are subject to a change of control as a result of a takeover bid and the resulting effects (Section 289a [1][8], 315a [1][8] HGB)**

Material financing agreements of PUMA SE with its creditors contain the standard change-of-control clauses. In the case of change of control the creditor is entitled to termination and early calling-in of any outstanding amounts.

For more details, please refer to the relevant disclosures in chapter 17 of the Notes to the Consolidated Financial Statements.

# CORPORATE GOVERNANCE STATEMENT IN ACCORDANCE WITH SECTION 289F AND 315D HGB

⌜
The corporate governance statement (in accordance with Sections 289f and 315d HGB) includes the declaration of compliance, information on corporate governance practices and a description of the working methods of the Management Board and Supervisory Board. It is available at **https://about.puma.com/en/investor-relations/corporate-governance**.
⌞

# RISK AND OPPORTUNITY REPORT

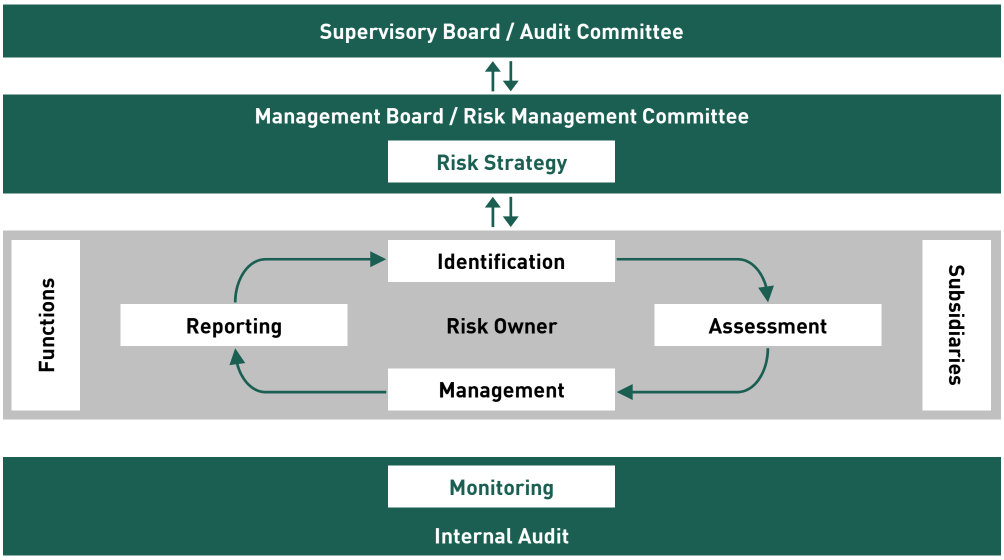
PUMA is continuously exposed to opportunities and risks in the competitive, fast-paced and international sport and lifestyle industry. The risk strategy is therefore to take business risks in a calculated manner in order to implement the corporate strategy with all its opportunities. For this purpose, effective risk and opportunity management is required so that opportunities can be recognised and utilised, and risks can be identified and managed at an early stage. We define risks as potential future developments or events that may lead to a negative deviation from targets for the company (see the "Risk Management System" section). Similarly, opportunities are potential future developments or events that may result in a positive deviation from targets.

## RISK MANAGEMENT SYSTEM

PUMA takes a conscious and controlled approach to risks in order to achieve the company's goals. The aim of the risk management system is to identify and manage at an early-stage material risks or risks that could even jeopardise the company's existence and thus support the achievement of the company's objectives. In addition, compliance with the related laws, regulations and standards must be ensured, as well as transparency in relation to the risk situation from the perspective of partners such as customers, suppliers and investors. Therefore, PUMA has established an appropriate and effective risk management organisation which is able to identify risks at an early stage and manage them in accordance with the corporate strategy and promote risk awareness within the PUMA Group to facilitate risk-based decisions. As part of the organisation, risks are looked at Group-wide, unless explicitly stated to the contrary. As in the previous year, PUMA's risk management system is based on a comprehensive, interactive, and management-oriented approach to risk that is integrated into the company's organisation and is based on the globally recognised COSO standard (Committee of Sponsoring Organisations of the Treadway Commission). Opportunity management is not part of the risk management system and is the responsibility of operational management teams in the respective regions, markets, and departments (see the "Opportunities" section).

The Management Board of PUMA SE bears overall responsibility for the risk management system in accordance with Section 91(3) AktG. The Management Board regularly updates the Audit Committee of the Supervisory Board of PUMA SE. In addition, pursuant to Section 107(4), the Audit Committee has a direct right to information from the operational management departments. The Risk Management Committee, which consists of the PUMA SE Management Board and selected managers, is responsible for the design, review, and adaptation of the risk management system. For the operational coordination of the risk management process and support of the risk officers, the risk management function of the Group Internal Audit, Risk Management & Internal Control department has been assigned to prepare the regular risk reporting to the Risk Management Committee. The responsibilities, tasks and processes of the risk management system are defined in PUMA's enterprise risk guidelines. The structure and design of the risk management system are as follows:

## ↗ G.19 RISK MANAGEMENT SYSTEM

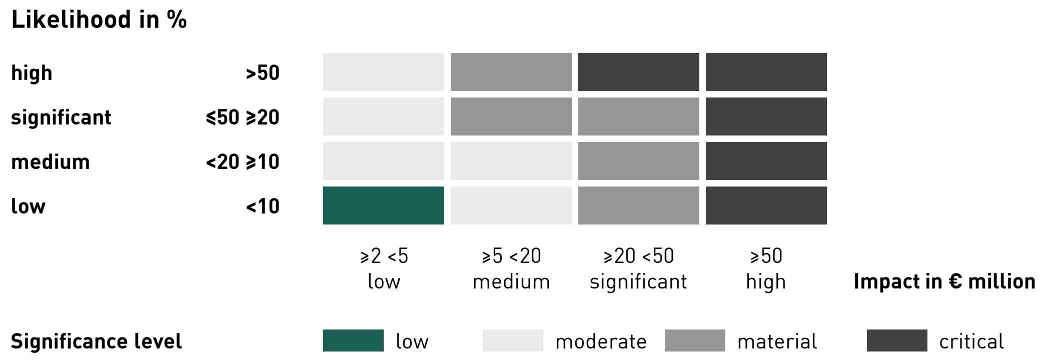



The risk owners are mainly the managers of the functional areas and the managing directors of the subsidiaries. Risks are identified company-wide by performing a bottom-up analysis within the risk owner's area of responsibility. These risks are regularly reported to the risk management function and/or the local monitoring bodies in structured interviews that take place every six months or during the year using established internal reporting channels. As a part of the risk culture at PUMA, general information for risk management as well as training materials are made available for all employees.

The risks are evaluated and assessed in terms of probability of occurrence and extent of damage using quantitative criteria with the help of a systematic methodology. The quantitative criteria are represented in the form of risk classification ranges on a four-level scale: Low, Medium, Significant and High. While the risk assessment of the probability of occurrence is measured as a percentage rate, the extent of damage is based on the planned operating result for the upcoming financial year. We follow a net risk approach, addressing the risks that remain after existing control measures have been implemented. The resulting risk assessments are presented as an aggregated risk group ("overall risk situation"). Thus, for the materiality assessment, the quantified risks are combined from their extent of damage and probability of occurrence and are classified in a comprehensive risk matrix regarding their significance level ("Low", "Moderate", "Material" and "Critical") for internal monitoring and to assess their viability (see graphic G.21).

For example, a risk can be allocated within the most critical range, which may also include risks that could even jeopardise the company's existence, in the case that its assessment reflects a combination of highest bandwidth for extent of damage ("High > € 50 million") and probability ("High > 50%"). The overview of the risk groups is presented in table T.7, summarised in the order of their relative importance and their change during the year.

## ↗ G.20 RISK MATRIX




Regular risk identification and assessment is carried out by the risk management function every six months with all major functional areas. The risks recorded and assessed are also reviewed with a top-down approach by the Risk Management Committee. This ensures that adequate consideration is given to interdependencies and the overall risk situation.

The risk owners are responsible for the operational management of identified risks. Risks can be managed by avoiding, reducing, diversifying, or transferring the risk to achieve the targeted and acceptable residual risk. Within the reporting process, material risks or those which could even jeopardise the company's existence are coordinated with and managed by the Risk Management Committee or the Management Board, considering the risk-bearing capacity, which is also based on the planned operating result.

The methodology and structure of the risk management system are continuously monitored in terms of their appropriateness and effectiveness and adapted or improved when required. This is carried out on the one hand by the Internal Audit department, as an independent audit body within the PUMA Group, and on the other hand through the utilisation of the results of the auditor of PUMA SE, which assesses the early risk identification system annually for its fundamental suitability to be able to identify risks that endanger the company's existence at an early stage.

## RISKS

The following explanations of risk groups are presented based on their relative importance from the Group perspective for the financial year 2023.

### MACROECONOMIC DEVELOPMENTS

As an internationally operating enterprise, PUMA is exposed to challenges and uncertainties that affect the global economy and the associated risks may have an impact on our sales and sourcing markets. For example, macroeconomic risks because of economic recessions, changes in interest rates, or inflation and cost pressures, might have an impact on consumer behavior, production costs, sales, and profit margins. Likewise, global events such as political changes, social developments, geopolitical tensions, and natural disasters can disrupt supply chain activities or affect consumer sentiment, are also reflected in legal and macroeconomic conditions.

In 2023, the macroeconomic and geopolitical environment remain challenging. The recent conflict in Middle East, the war in Ukraine, persistent inflation, and the risks of recession weights on consumer sentiment, resulting in volatile demand in the retail sector. The pattern of China's economic recovery after COVID-19 remains uncertain and competition with both local and global brands remains high.

Overall, we manage these challenges by having close alignment and communication with regions and key markets to follow up and deal with critical developments affecting PUMA business environment (e.g., price increases, supply chain interruptions, geopolitical tensions) and develop alternative scenarios to analyse possible occurrence of events. Moreover, the Management Board is regularly updated about country and macroeconomic developments and defines action plans to quickly adapt to changing economic conditions.

### BUSINESS PARTNERS

As an enterprise with global operations, managing sourcing and supply chain related risks is of key importance for PUMA. Most of our PUMA products are produced in Asia in countries like China, Vietnam, Cambodia, Bangladesh, Indonesia and India. In addition to the challenges, production in these countries continues to be associated with significant risks for us. These risks arise, for example, from changes in sourcing, wage and logistic costs, supply bottlenecks for raw materials or components, and quality issues, as well as from the possibility of overdependence on individual suppliers. Sourcing and the supply chain must also react to risks, such as changes in duties and tariffs as well as trade restrictions and government requirements. The transport of products to the distribution countries is also exposed to the risk of delays and failures by warehouse and logistics service providers due to extraordinary events and/or human or system error.

To mitigate business partners related risks, we have implemented a functional framework for sourcing and supply chain processes. Our sourcing portfolio is regularly reviewed and adjusted to avoid creating a dependence on individual suppliers and sourcing markets. Generally, long-term master framework agreements are concerted to secure the required production capacities for the future. Regular communication with PUMA entities allows us to anticipate any price increase and strengthen our forecast activities. A quality control process and the direct and partnership-like collaboration with suppliers should permanently secure the quality and availability of our products. Moreover, we continuously analyse political, economic, and legal framework conditions and have further enhanced our close cooperation with our logistics partners to be able to react to changes in the supply chain early on and to continuously strengthen the supply chain. The collaboration with warehouse and logistics service providers is accordingly secured by selection processes, consistent contractual terms, and permanent monitoring of relevant indicators.

In 2023 global sourcing markets normalised because of the end of COVID-related restrictions: However, there are continued supply chain and sourcing challenges regarding rising costs and the potential threat of a larger recession that could still cause disruptions and delays in the operations. To diminish these challenges, we have further intensified the cooperation with our suppliers and logistics partners to be able to act flexibly and base our actions around finding the right solutions.

## CURRENCY RISKS

As a group that operates internationally, PUMA is exposed to transactional foreign currency risks. The currency risks exist to the extent that the exchange rates of currencies in which purchase and sales transactions as well as lending transactions and receivables are carried out fluctuate against the functional currency of the PUMA Group - the euro.

PUMA's biggest sourcing market is Asia, where most payments are settled in US dollars (USD), while sales of the PUMA Group are mostly invoiced in other currencies. PUMA manages currency risk in accordance with internal guidelines. Material risks are hedged, in accordance with the Group directive, up to a hedging ratio of 95% of the estimated foreign currency risks from expected purchase and sales transactions over the next 12 to 15 months. Forward exchange contracts and currency options, usually with a term of around 12 months from the reporting date, are used to hedge the foreign currency risk. For significant risks that are subject to large hedging costs, high hedging ratios can only be achieved over shorter terms.

To hedge signed or pending contracts against currency risk, PUMA only concludes currency forward contracts and currency options on customary market terms with reputable international financial institutions. As of the end of 2023, the net requirements for the 2024 planning period were adequately hedged against currency effects, if possible.

Foreign exchange risks may also arise from intra-group loans granted for financing purposes. Currency swaps and currency forward transactions are used to hedge currency risks when converting intra-group loans denominated in foreign currencies into the functional currencies of the group companies (EUR).

In addition, as an international group with its own presence in a large number of countries, PUMA is also exposed to translation risks. These arise in the course of consolidation when individual financial statements of foreign subsidiaries that do not prepare their accounts in euros are translated into the PUMA Group's functional currency, the euro.

In countries with high interest and inflation rates, both transaction risks and translation risks can arise to a considerable extent. PUMA does not hedge these risks, as the hedging costs in high-interest countries - insofar as hedging is possible at all - in some cases significantly exceed the benefits of hedging. The negative effects of currency and inflation are generally compensated for by adjusting the prices of products in the respective market.

In order to disclose market risks, IFRS 7 requires sensitivity analysis that show the effects of hypothetical changes in relevant risk variables on earnings and equity. The periodic effects are determined by relating the hypothetical changes caused by the risk variables to the balance of the financial instruments held as of the balance sheet date. The underlying assumption is that the balance as of the balance sheet date is representative for the entire year.

Currency risks as defined by IFRS 7 arise on account of financial instruments that are denominated in a currency which differs from the functional currency and are monetary in nature. Differences resulting from the conversion of the individual financial statements to the group currency are not taken into account. All non-functional currencies in which the Group employs financial instruments are generally considered to be relevant risk variables.

The currency sensitivity analysis is based on the net balance sheet risk denominated in foreign currencies. This also includes intra-company monetary assets and liabilities. Outstanding currency derivatives are also reassessed as part of the sensitivity analysis. It is assumed that all other influencing factors, including interest rates and raw material prices, remain constant. The effects of the forecasted operating cash flows are also ignored.

Currency forward contracts, used to hedge against payment fluctuations caused by exchange rates, are part of an effective cash-flow hedging relationship pursuant to IAS 39. Changes in the exchange rate of the currencies underlying these contracts have an effect on the hedge reserve in equity and on the fair value of these hedging contracts.

### PANDEMIC

PUMA first identified the COVID-19 pandemic as a new risk in the financial year 2020 and accordingly established the risk category "Pandemic". Risks related to a pandemic event such as supply chain disruptions, economic and financial strains, lockdowns, retail store closings, cancellations of sport events or social restrictions could lead to severe business disruptions, reduced consumption, loss of sales, or liquidity shortfalls. For financial year 2023, the negative impacts of the pandemic have diminished as countries and regions ended pandemic-related restrictions and economic and life activities are normalising. In principle, uncertainties arise in relation to new variants that could lead to possible lockdowns or restrictions.

To mitigate pandemic-related risks, different strategic approaches have been established to ensure and prioritise the health and safety of our employees and customers, as well as continuous monitoring of the situation and possible restrictions. There is continuous monitoring of the latest economic events and close alignment with our regions and key markets to manage critical developments and adapt to market conditions. Close cooperation with partners and suppliers is essential to implement and monitor contingency strategies. In addition to Direct-to-Consumer business, the e-commerce business and PUMA App are an essential part of our distribution structure.

### PRODUCT & MARKET ENVIRONMENT

The sport and lifestyle markets are defined by intense competition, constant innovation, and changing consumer preferences. PUMA faces the challenge of continuously innovating and differentiating its product offering to capture consumer interest and gain and edge over its competitors. Product and market environment risks could arise from a non-anticipated or late response to consumer demand within the fast-moving lifestyle and sports markets. Constant changes in consumer lifestyle/sports trends and long product lifecycles bear the risk of creating products that are not relevant to our consumers, launching them at the wrong time, launching them with the wrong marketing campaign or placing them in the wrong distribution channels. As a result, these risks could lead to a loss in market share, sales shortfalls, and lower brand attractiveness. Media reports about PUMA also play a key role in brand image. For example, reports about the infringement of laws or internal/external requirements, product recalls and exposure on social media as well as reports about workforce diversity and tolerance can cause significant damage to brand image and ultimately result in the loss of sales and profit.

To mitigate these risks, we conduct market research and systemic monitoring of market environment for early recognition and taking advantage of relevant consumer trends. Targeted investments in product design and product development are to ensure that the characteristic PUMA design of the entire product range is consistent with the overall brand strategy ("Forever Faster"), thereby creating a unique level of brand recognition. Accordingly, we have set the guiding principle that "We want to become the fastest sports brand in the world" to underline the company's long-term direction and strategy. The "Forever Faster" brand promise does not just stand for PUMA's product range as a sports and lifestyle company, but also applies to all company processes. Brand image is particularly strengthened through cooperation with brand ambassadors who embody the core of the brand and PUMA's brand values ("brave," "confident," "determined" and "joyful") and have a large potential for influencing PUMA's target group. We additionally counter this risk through careful press, social media, and public relations work as well as by monitoring the press and social media environment.

### PROJECTS

The strategic program portfolio of PUMA contains important and critical projects to ensure that the flow of goods and information is sufficiently supported by modern warehouse, logistics and IT infrastructure. These include, for example, the implementation of IT systems to enhance operations, such as centralised systems or e-commerce platforms and systems in the warehouse and supply chain. Risk associated with projects include ineffective change management, lack of resources, high costs, exceeding budget, overrun time frames, non-acceptance of users due to weak communication, increase vulnerability to potential data breaches and disruption to business processes.

To manage project-related risks effectively, PUMA has established group and regional project teams as well as policies to manage the roll-out of new and existing projects that have a significant impact on the core value chain. In addition, as part of project management practices, continuous alignment with stakeholders and steering meetings to monitor, provide support and guidance on strategic projects are implemented to ensure its execution is in line with pre-defined objectives and milestones such as time frames and budgets.

**INFORMATION TECHNOLOGY**

The ongoing digitalisation of business environments brings new challenges to PUMA in the field of information technology which – in case of incidents - may have an impact on our operations, data security and privacy, as well as overall performance. Key business procedures and processes such as supply chain management, e-commerce, and financial reporting depend on digital services, infrastructure, and their unimpaired availability. Interruptions of service availability can disrupt essential processes and cause operational problems. Moreover, information security is of outmost importance for PUMA, the risk of a data breach might lead to financial loss, brand damage, legal claims, and loss of customer trust.

To mitigate these risks, we continuously carry out technical and organisational measures. Key business procedures, processes and infrastructure on information technology and security are established based on best -practice frameworks, regularly updated and controlled. These processes are subject to internal and external audits to ensure their reliability and the appropriateness of control mechanisms. Appropriate procedures and guidelines related to IT-incident response are in place and updated accordingly. Moreover, PUMA has an Information Security Committee which consistently updates the Management Board on the latest status and developments. In addition, trainings and information campaigns are conducted regularly to increase awareness and knowledge on information security related issues.

**DISTRIBUTION STRUCTURE**

PUMA relies on different distribution channels including the Wholesale business with our retail partners and the Direct-to-Consumer (DTC) business with our PUMA-owned and operated (O&O) retail stores and e-commerce platforms. This diversified distribution mix enables PUMA to reduce its dependency on individual distribution channels and/or retail partners.

The wholesale business represents the largest share of sales overall and is characterised by strong partnerships with all our retail partners. The company’s DTC business has a complementary role and is intended to ensure a better and more comprehensive presentation of PUMA products in a controlled brand environment, direct interaction with our end consumers and a higher gross profit margin.

In the wholesale business, growing retailers, including those offering their own brands, and direct competitors pose the risk of intensified competition for market shares, price pressures or reduced profit margins. Consumer purchase behavior is also changing, focusing more on e-commerce and a combination of stationary and digital trade. This requires continuous adjustment of the distribution structure. Distribution through our O&O retail stores and e-commerce platforms is, however, also associated with various risks including the required investments in expansion and infrastructure, setting up and refurbishing stores, higher fixed costs, and leases with long-term lease obligations. This can have an adverse impact on profitability in the event of a business decline.

To avoid risks, we carry out permanent monitoring of distribution channels and regular reporting by Controlling and the dedicated functions. We maintain strong collaborations with all our retail partners in line with our wholesale-focused strategy. The company's reporting and controlling system allows us to detect negative trends early on, and to take the countermeasures required to manage individual stores and overall to monitor the evolution of the distribution landscape. A detailed location and profitability analysis is carried out in our DTC business before making any investment decision. In e-commerce, global activities are harmonised and investments in IT systems are carried out to further improve the shopping experience for our consumers and to drive conversion. This includes the continued global roll-out of the PUMA Shopping App.

**SUSTAINABILITY**

Sustainability topics are highly important for PUMA specially in sourcing as well as along the entire value chain. Natural resources crises and the resulting increase in customer requirements regarding sustainability have led to a stronger ecological focus in our product range, both at our own locations and along the production and supply chain. A more efficient use of resources, reduction in greenhouse gas emissions and compliance with environmental standards as well as the increased use of environmentally preferred materials and environmentally friendly chemicals in production are crucial parts of our sustainability strategy. The risk of not implementing an effective sustainability approach to our products and along the supply chain could lead to serious brand damage, loss of customer loyalty, supply chain disruptions, increased costs, and non-compliance with environmental regulations.

PUMA's efforts towards managing sustainability risks and efficient use of resources are reflected in the comprehensive "Forever Better" strategy which defines 10 target areas to improve sustainability performance: Human Rights, Climate Action, Circularity, Products, Water and Air, Biodiversity, Plastics and the Oceans, Chemicals, Health & Safety as well as Fair Income. For each of these target areas, which are aligned to the UN Sustainable Development Goals (SDGs), there are measurable targets and KPI's which are regularly monitored and reported to Board Members, Supervisory Board, and stakeholders. Additionally, risk assessments and audits are performed to ensure our suppliers follow environmental standards. PUMA's efforts to engage with stakeholder dialog through different events like "Conference of the People" or "Voices of a RE:GENERATION" allowed to discuss sustainability topics with generation Z representatives, industry peers, experts and activists.

PUMA's sustainability report (the Non-financial Report) for the financial year 2023 is published together with the combined management report and can be accessed at the following page on our website: **https://about.PUMA.com/en/investor-relations/financial-reports**.

**MONITORING OF WORKING CONDITIONS**

An important aspect of corporate responsibility is maintaining and monitoring good working conditions and compliance with human rights in PUMA's own operations and throughout the supply chain to ensure that employee's rights and well-being are protected. This risk considers the event of human rights violation or social and environmental non-compliance (e.g., child labor, excessive overtime, forced labor, sexual harassment, gender-based violence, unsafe work environment, fair income) in PUMA's own business and its supply chain.

To mitigate these risks, PUMA has implemented clear policies that are aligned with all relevant legislation on sustainability like the German Supply Chain Act, United Nations' (UN) Declaration of Human Rights, the UN Guiding Principles (UNGPs) on Business and Human Rights, the International Labor Organisation's Core Labor Conventions, and the ten principles of the UN Global Compact (UNGC). Regular audits and human rights/environmental risk assessments are conducted at the corporate and the supply chain level to evaluate compliance with applicable standards. Stakeholder dialogue with NGOs and partnerships with organisations (e.g., Fair Labor Association) enable transparent communication channels to address concerns and share best practices regarding human rights and environmental standards.

PUMA's Sustainability Report (the Non-financial Report) for the financial year 2023 is available here: **https://about.PUMA.com/en/investor-relations/financial-reports**.

### LEGAL

As an internationally operating group, PUMA is exposed to various legal risks. These risks could arise from Intellectual Property (IP) infringements that involve using a trademark, patent or copyright without proper authorisation and resulting in legal disputes, brand damage or loss of exclusivity rights. Contractual risks or risks that a third party could assert claims and litigations for infringements of its trademark rights are also considered. Counterfeit products are often of inferior quality and may not meet safety standards which can undermine the PUMA's brand reputation, reduce consumer trust and lead to legal disputes.

The continuous monitoring of contractual obligations and the integration of internal and external legal experts in contractual matters should ensure that any legal risks reduced to the minimum. The legal team is responsible for protecting our intellectual property in order to act against brand piracy. This not only ensures that we have a strong global portfolio of property rights, such as trademarks, designs and patents, but also works closely with customs, police and other authorities and provides input to legislators regarding the implementation of effective measures to protect intellectual property.

### COMPLIANCE

As an international group, PUMA is exposed to compliance risks resulting from the potential non-adherence to corporate governance rules, legal and regulatory requirements, or industry standards. These risks include fraud, conflict of interest, money laundering, antitrust law, corruption as well as deliberate misrepresentations in financial reporting which may lead to significant penalties, legal consequences, reputational damage, and disruption to business operations.

PUMA has implemented various tools to manage such risks. This includes a functioning compliance management system, the internal control system, group controlling and the internal audit departments to prevent, detect and sanction compliance-related topics at an early stage. Through the compliance management system, clear roles and responsibilities are assigned to group and local compliance functions. To ensure PUMA employees comply with PUMA ´s values there are ongoing trainings, communication and awareness campaigns for policies and procedures. PUMA employees also have access to a whistleblowing system for reporting illegal or unethical behavior.

### TAX

As a global company PUMA is exposed to a complex tax environment in which main challenges arise from cross-border transactions involving intercompany transfer of goods, services, and intellectual property. To minimise tax exposure, it is essential to optimise tax planning activities and ensure compliance with local and international laws and reporting requirements. In addition to compliance with national tax regulations to which the individual group companies are subject, there are increasing risks related to intra-group transfer pricing, which must be applied for various internal business transactions in accordance with the arm's length principle between related parties. Different countries have implemented laws and guidelines for international taxes in alignment with the Organisation for Economic Co-operation and Development (OECD) recommendations to standardise requirements for transfer-pricing documentation and update global tax policy.

In order to manage tax-related risks in an effective manner, PUMA established a solid tax governance framework. An adequate tax organisation with internal and external tax experts to comply with the relevant tax regulations and to be able to react to changes in the constantly changing tax environment. For the group-internal transfer pricing, corresponding documentation and policies are in place and aligned with international and national requirements and standards. There are guidelines and specifications for determining transfer prices for intra-group transactions that are common for foreign companies, which comply with the applicable internal procedural rules and are binding for employees who act on behalf of the group. By means of internal tax reporting, external and internal tax experts can control and monitor tax developments at PUMA on an ongoing basis. Training and awareness activities are performed on a regular basis to ensure relevant stakeholders are informed about current tax developments and acquire further expertise for tax treatment activities. Both, the Management Board, and the Supervisory Board, are regularly informed about ongoing tax developments at PUMA to identify and avoid tax-related risks as early as possible.

**PERSONNEL DEPARTMENT**

The creative potential, commitment and performance of PUMA employees are essential factors for achieving our strategic and financial targets. Personnel-related risks involve the management of workforce, talent acquisition and retention, employee engagement and compliance with employment laws. Any shortfall in staffing may lead to inadequate performance of tasks and have a negative impact on operational efficiency. In addition, there is still strong global competition for highly qualified personnel. Therefore, loss of key personnel and difficulties in identifying, attracting, and retaining key talent could lead to loss of know-how and decrease business performance. Likewise, non-compliance to health and safety laws and regulations could lead to accidents, penalties, employee dissatisfaction, business interruptions and reputational damage at Group level.

Through our human resources strategy, we seek to encourage independent thinking and action, which are key in an open corporate culture with flat hierarchies on a long-term and sustainable basis. To achieve this goal, a control process is in place to detect and assess human-resource risks. PUMA pays particular attention to talent management, identifying key positions and talent, ensuring this talent is trained and positioned optimally, and succession planning. We have also instituted additional national and global regulations and guidelines to ensure compliance with legal provisions and safeguard the health and safety of our employees. Moreover, employee surveys are conducted to obtain feedback and measure employee engagement (e.g., “Great Place to Work”, “Diversity Leader”). During 2023, PUMA received several awards which recognised the ongoing efforts to create a diverse, inclusive, and equal workforce (e.g., “Top Employer”). We will continue to make targeted investments in the human resource needs of functions or regions to meet the future requirements of our corporate strategy.

**LIQUIDITY AND INTEREST RATE RISKS**

PUMA continually analyses short-term capital requirements by rolling cash flow planning at the level of the individual companies in coordination with the central Treasury department. In order to ensure the company's solvency, financial flexibility and a strategic liquidity buffer, PUMA maintains, for example, a liquidity reserve in the form of cash and confirmed credit facilities. In this respect, as of December 31, 2023, the PUMA Group had unused credit lines totaling € 896.1 million.

Medium and long-term funding requirements that cannot be directly covered by net cash from operating activities are financed by taking out medium and long-term loans. For this purpose, various promissory note loans were issued in several tranches with fixed and variable coupons and different remaining terms. The utilised promissory note loans amount to a total of € 551.5 million as of December 31, 2023 and have a remaining term of between one and five years.

Changes in market interest rates around the world have an impact on future interest payments for variable interest liabilities. As PUMA only has a limited amount of variable interest-bearing liabilities, interest rate hedging instruments are used to a limited extent.

**DEFAULT RISKS**

Due to its business activities, PUMA is exposed to default risk on trade receivables. These risks consider delayed payments and losses of accounts receivables (e.g., default of a customer) as well as default risks from counterparty's other contractual financial obligations (e.g., bank deposits, derivative financial instruments). This could lead to bad debt expenses and reduced liquidity and could have a negative impact on cash flow and profitability, as trade receivables are one of the most significant financial assets.

The default risk is managed by continuously monitoring outstanding receivables and recognising impairment losses, where appropriate. The default risk is limited, if possible, by credit insurance. The maximum default risk is reflected by the carrying amounts of the financial assets recognised in the balance sheet. In addition, default risks also arise to a lesser extent from other contractual financial obligations of the counterparty, such as bank balances and derivative financial instruments.

## RISK OVERVIEW TABLE

The following table summarises the risk groups described above based on their relative importance (significance level) and any changes during the year:

### ↗ T.07 OVERVIEW OF RISK GROUPS

| Risk Groups | Classification | Description | Significance level | Change compared to previous year |
|---|---|---|---|---|
| Macroeconomic Developments | Strategic | e.g., economic development, political situation, geopolitical tensions | Critical | ↗ |
| Business Partners | Operational | e.g., raw material bottlenecks, supply chain disruptions, sourcing and logistic costs, quality problems | Critical | → |
| Currency Risk | Financial | e.g., exchange rate fluctuations | Critical | ↗ |
| Pandemic | Strategic | e.g., store closures, supply problems, health of employees and customers | Critical | ↘ |
| Product and Market Environment | Strategic | e.g., trends, customer requirements, brand image, media reports | Material | → |
| Projects | Strategic | e.g., IT infrastructure, construction projects | Material | → |
| Information Technology | Operational | e.g., cyberattacks, network and system failures | Material | → |
| Distribution Structure | Strategic | e.g., change in the distribution landscape | Material | → |
| Sustainability | Regulatory | e.g., climate change, environmental standards | Material | → |
| Working Conditions | Regulatory | e.g., labor law, human rights, German Supply Chain Due Diligence Act | Material | → |
| Legal | Regulatory | e.g., trademark law, patent law, counterfeit products | Material | → |
| Compliance | Regulatory | e.g., fraud, corruption | Material | → |
| Tax | Financial | e.g., transfer prices | Material | → |
| Personnel Department | Operational | e.g., key positions, employee retention, health & safety | Moderate | → |
| Liquidity and Interest Rate | Financial | e.g., cash, credit lines, custody fees, interest rate developments | Moderate | → |
| Default Risk | Financial | e.g., payment claims against customers | Moderate | → |

## OPPORTUNITIES

Opportunities should be identified by PUMA at an early stage, assessed and - where possible - materialised. The operational management teams in the markets and departments are responsible for opportunity management. In course of the budget- and mid-term process, the identified opportunities are incorporated into PUMA's overall planning approach. PUMA has identified and defined multiple key opportunity categories for the current planning period and beyond.

PUMA is operating in an external environment that is characterised by increasing geo-political risks, continued macro-economic headwinds, a muted consumer sentiment and a strong volatility in foreign exchange rates. In addition, the speed of recovery in the important U.S. and Chinese markets remains uncertain. In response, PUMA will continue to focus on managing short-term challenges without compromising the mid- and long-term momentum of the brand, always prioritising sales growth and market share gains over short-term profitability. Therefore, PUMA will continue to focus on being the best partner to its wholesale accounts and end consumer, providing them with the best possible service.

Within our corporate strategy, we have defined the following six strategic priorities which offer significant opportunities: elevate the brand, enhance product excellence, improve distribution quality, focus on people first, digitalise our infrastructure and evolve sustainability. Within this overarching framework, we're currently placing a special focus on brand elevation, winning in the important U.S. market, and accelerating our rebound in China. PUMA will continue to invest into the brand and sees significant opportunities to increase market shares in all key markets. Supported by new landmark partnerships with brand ambassadors such as Rihanna and A$AP Rocky, our lifestyle products continue to enjoy strong relevance and demand across all age groups and regions. We have also made great progress in performance in recent years and have significantly improved our market position across football, running, fitness, basketball, golf, and motorsport. PUMA's product range is being continuously optimised and further developed across all categories with a special emphasis on innovation and franchise management. In 2024, multiple international sport events such as the UEFA Euro Cup in Germany, the Olympic & Paralympic Games in Paris, and the Copa America in the U.S. will give us a platform to underline our performance credibility and to increase brand heat and visibility. The major global interest in these events and sports in general will further support the growth of the sporting goods industry. We are also seeing a continued trend toward a healthier lifestyle, greater sports participation, and more casual clothing, which opens corresponding opportunities for our industry. Meaningful marketing campaigns supported by relevant brand ambassadors in all major markets are essential to anchor PUMA deeply in the hearts and minds of our consumers and create brand relevancy and loyalty. To further elevate the brand and strengthen our consumer connection, PUMA will also launch a big brand campaign in 2024.

In terms of distribution, PUMA will continue to focus on the wholesale channel. The strong partnerships with our wholesale accounts offer opportunities for future market share gains and business growth. However, we also see significant opportunities in our Direct-to-Consumer (DTC) business with a special emphasis on PUMA's e-commerce channels. Since 2022, we're rolling out a dedicated PUMA shopping app which is showing strong results and significantly better KPIs compared to our traditional puma.com e-commerce channels. The PUMA shopping app will be expanded to other markets in the coming years and will open further opportunities regarding customer loyalty and sales growth. New store formats and improvements to the overall shopping experience in our own retail stores can and should also lead to additional business opportunities. In China, we introduced a new store format that was developed by a local agency to fit the needs of the Chinese consumers and that is showing strong results. In terms of distribution, ensuring delivery excellence through new, state-of-the art multi-channel distribution centers in key markets also continues to support business development.

In information technology, improved communication with wholesale accounts and consumers via digital channels also offers opportunities – e.g., through the increased use of 3D technology. In addition, new or more efficient processes supported by digital technology may add value or result in cost optimisation. The digitalisation of key business processes such as product design will continue to be advanced in order to increase efficiency and effectiveness.

With end consumers paying more attention to sustainability, there is an opportunity to improve sustainability-related communication and sell more sustainable products. PUMA's strategic approach for sustainability is centered around creating maximum possible impact within the supply chain and final customer. Numerous initiatives are ongoing and aligned with the UN Sustainable Development Goals. For example, in 2023 PUMA reached another milestone: 7 out of 10 products were produced from better materials such as recycled polyester. PUMA started the "Voices of a RE:GENERATION" initiative which aims to have constant communication with GEN-Z activists and environmentalists and give feedback to our senior management on how PUMA can further strengthen its sustainability initiatives and communicate its sustainability efforts to young audiences. All these initiatives will help us to evolve sustainability within PUMA and leverage corresponding business opportunities.

## OVERALL ASSESSMENT OF THE RISK AND OPPORTUNITY SITUATION

The assessment of the overall risk and opportunity situation of the Group and PUMA SE is the result of a consolidated view of the risk and opportunity categories described above for the financial year 2023. Following the description in our 2023 combined management report, our assessment of PUMA's overall risk situation this year is predominantly influenced by the macroeconomic environment and volatile retail demand specially in key markets, as described above, and is focused on the major challenges these pose. The Management Board is currently not aware of any material risks that, either individually, on an aggregated basis or in combination with other risks, could jeopardise the continued existence of the Group and PUMA SE.

However, we cannot exclude the possibility that in the future influencing factors, of which we are currently unaware or which we currently do not consider to be material, could have a negative impact on the continued existence of the Group or PUMA SE or individual consolidated companies. Also due to the extremely solid balance sheet and the positive business outlook, the Management Board does not see any significant threat to the continued existence of the PUMA Group and PUMA SE.

## MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT RELATES TO THE GROUP'S ACCOUNTING PROCESS

The Management Board of PUMA SE is responsible for the preparation and accuracy of the annual financial statements, the consolidated financial statements and the combined management report of PUMA SE. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards that apply in the EU, the requirements of the German Commercial Code (HGB), the German Stock Corporation Act (AktG) and the German SE Implementation Act (SEAG). Certain disclosures and amounts are based on current estimates by the Management Board and the management.

The Management Board is responsible for maintaining and regularly monitoring a suitable internal control and risk management system covering the consolidated financial statements and the disclosures in the combined management report. This control and risk management system is designed to ensure the compliance and reliability of the internal and external accounting records, the presentation and accuracy of the consolidated financial statements, and the combined management report and the disclosures contained therein. It is based on a series of process-integrated monitoring steps and encompasses the measures necessary to accomplish these, such as internal instructions, organisational and authorisation guidelines, the relevant company guidelines and handbooks, a clear separation of functions within the Group and the dual-control principle. The adequacy and operating effectiveness of these measures are regularly reviewed by the Group Internal Audit, Risk Management & Internal Control Department.

For monthly financial reporting and consolidation, PUMA has a group-wide reporting and controlling system that makes it possible to regularly and quickly detect deviations from projected figures and accounting irregularities and, where necessary, to take countermeasures.

By means of established internal reporting channels, the risk management system can regularly identify events that could affect the Group's economic performance and its accounting process so that it can analyse and evaluate the resulting risks and take the necessary actions to counter them.

In preparing the consolidated financial statements and the combined management report, it is sometimes necessary to make assumptions and estimates based on the information available at the time the financial statements and management report are prepared that affect the amount, presentation and explanation of recognised assets and liabilities, income and expenses, contingent liabilities, and other reportable information.

The Audit Committee of the Supervisory Board meets on a regular basis with the independent statutory auditors, the Management Board and the Group Internal Audit, Risk Management & Internal Control Department to discuss the results of the internal audits and statutory audits with reference to the internal control and risk management system as it relates to the accounting process. At the annual meeting on the financial statements, the auditor reports to the Supervisory Board (including the Audit Committee) on the results of the audit of the annual and consolidated financial statements.

## INTERNAL CONTROL SYSTEM

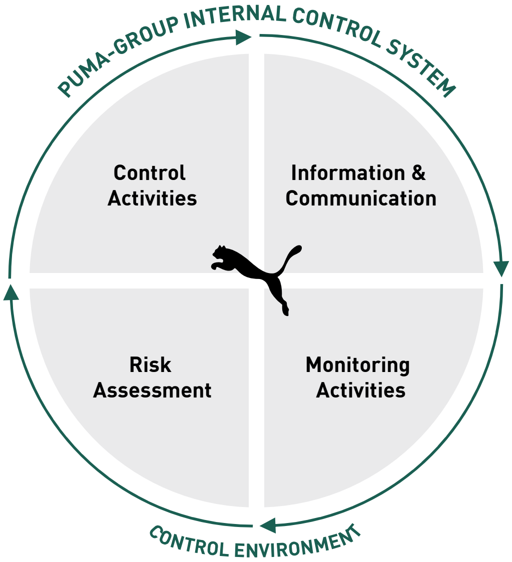
PUMA's internal control system applies to all employees throughout the Group as it incorporates the principles, procedures and measures established by PUMA Group management. All essential business processes that support the organisational implementation of management decisions must be taken into account.

Within the PUMA Group, the methodology of the internal control system is based on the COSO Framework, which describes internal management and monitoring considerations for key processes within the company. Its purpose is to support the objectives of ensuring proper financial reporting, improving the efficiency and effectiveness of the processes and maintaining compliance with legal framework conditions.

The PUMA control framework is applied uniformly to the entire Group. The requirement here is to manage the significant risks through appropriate control activities. The objective is to continuously improve the internal control system and to identify specific risks and potential for improvement in the control environment at process level in order to define appropriate recommendations for action and to systematically track their timely implementation. Independent monitoring bodies such as the Supervisory Board and the Audit Committee help ensure that the control environment remains up-to-date. The Management Board of PUMA SE bears overall responsibility for the internal control system. The Management Board regularly updates the Audit Committee of the Supervisory Board of PUMA SE. The internal control function of the Group Internal Audit, Risk Management & Internal Control Department has been tasked with preparing regular reports for the Management Board in order to help coordinate the internal control system from an operational perspective. The responsibilities, tasks and processes of the internal control system are defined in guidelines.

With regard to the PUMA control framework, the following five core components must be kept in mind: control environment, risk assessment, control activities, information and communication, and monitoring activities.

## G.21 INTERNAL CONTROL SYSTEM




The internal control system is based on the control environment established within the PUMA Group, in that it lays out principles for employee and management behavior within the company. The standards practiced are underpinned by internally formalised procedures and by clear guidelines on giving instructions and authorisations to do so. Together with external regulations, these internal standards form a control environment that applies to all employees of the PUMA Group, supported by the relevant management and the process manager in the entities.

As described in the previous section headed "Risk Management," the PUMA Group is also subject to a large number of risks that may potentially impact on company goals. Risk identification and assessment is carried out every six months in order to manage material risks at Group level. Using the resulting risk portfolio, the objective of the internal control system is to ensure that the compensating control measures fully correspond to the risk assessment/evaluation. In addition, the internal control system's risk assessment also includes a large number of more detailed risks in day-to-day operations – for example, operational activities in accordance with compliance regulations.

Control activities serve to counteract the identified business risks. In order to ensure that the control framework is continuously up-to-date and to monitor its application in business processes, an annual "Internal Control Self-Assessment" (ICSA) is completed by the key business units of the PUMA Group. The internal control function ensures that the key business units - at parent and subsidiary company level - are included in the ICSA. The managers of these business units evaluate the specified control objectives of the PUMA Group in relation to their business area. When doing so, the existing control framework is assessed based on internal and external guidelines and best-practice standards. Based on the responses, a level of implementation of the controls is determined, which undergoes independent verification by the Internal Control function and is then communicated to the Management Board using established reporting channels. The results of the ICSA are also reported to the Audit Committee and the statutory auditors and are used by the internal audit function of the Group Internal Audit, Risk Management & Internal Control Department in risk-oriented audit planning.

The purpose of informing and communicating potential business risks and control activities is to help make sound business decisions, with the information required to do so being accessible within an appropriate and timely framework. Established communication channels are continuously used in the PUMA Group to achieve this. The internal control function coordinates awareness training and regular coordination meetings in order to continuously guarantee, and also strengthen, its cooperation with the Management Board and other managers of business units.

The use of a standardised software system as the basis for monitoring activities is intended to ensure the systematic and uniform implementation of ICSA across the entire company. The internal control function analyses the results of the ICSA and derives recommended actions, which are coordinated with the managers of the business units and the implementation status of which is reviewed and monitored continuously.

The Management Board also monitors the effectiveness of the risk management and internal control system in a holistic manner. Accordingly, key aspects of the systems are reviewed on a quarterly basis as part of cyclical reporting. This is to ensure that material risks are managed with an appropriate level of transparency, that individual issues are discussed in an appropriate form and can be tracked, and that possible improvements to the systems are considered. Supported by an established control environment, the continuous system monitoring, and improvement reflects the PUMA Group's open risk culture. During the reporting period, PUMA SE was not aware of any relevant circumstances that cast doubt on the adequacy and effectiveness of the risk management and internal control systems nor that had not been rectified by the balance sheet date. Nevertheless, it is worth noting that even systems that have been characterised as appropriate and effective are subject to inherent limitations. As such, it is not possible to guarantee the complete prevention of any procedural violations and/or risks arising.

# OUTLOOK REPORT

## GLOBAL ECONOMY

In their winter forecast dated 13 December 2023, experts at the Kiel Institute for the World Economy (Kiel Institut für Weltwirtschaft – IfW Kiel) expect global gross domestic product (GDP) to increase by 2.9% in 2024, following growth of 3.1% in 2023. Meanwhile, inflation is rapidly on the decline, and central banks are expected to start cutting interest rates in the first half-year of 2024. However, there are currently no prospects of an economic upturn. A high level of uncertainty about the economic conditions is slowing things down in the advanced economies, and fiscal incentives are tapering out. In China, economic momentum remains subdued, in view of structural issues. According to experts at IfW Kiel, the risks to the economic forecast for 2024 are primarily financial and political in nature. Among other things, there is uncertainty about developments in China, where orderly consolidation in the property sector is still not guaranteed. In addition, geopolitical risks have stemmed from the increasingly prominent differences between China and the United States. Irrespective of this, the outcome of the upcoming presidential elections in the United States in November harbours considerable economic and political uncertainty.

## SPORTING GOODS INDUSTRY

Unless the geopolitical environment has any significant negative impact on the overall economic environment, we expect growth in the sporting goods industry in 2024. We expect demand for sporting goods to increase in 2024 as the trend towards increased sports activities and healthier lifestyles continues and becomes even more significant following the COVID-19 pandemic. This applies equally to the increasing popularity of athletic footwear and leisure/athletic apparel as an integral part of everyday fashion ("athleisure"). We also assume that major sporting events in the coming year, such as the Summer Olympics in Paris and the UEFA Euro 2024 men's football championship in Germany, will help to support growth in the sporting goods industry.

## OUTLOOK 2024

We expect geopolitical and macroeconomic headwinds as well as currency volatility to persist in 2024. These conditions already led to muted consumer sentiment and volatile demand in 2023 and we expect these effects to continue in 2024, particularly in the first half of the year.

In this continued challenging environment, we are fully focused on executing our strategic priorities: elevating the brand, increasing product excellence and improving our distribution quality - especially in the key markets US and China. For us, 2024 is not only the year of sport with major events such as the Olympic Games, Euro 2024 and the Copa America providing the perfect platform to showcase our strong product innovation and credibility as a performance brand. It is also the year in which PUMA will invest in a new global brand campaign to improve its positioning as the fastest sports brand in the world.

Supported by the continued brand momentum and despite ongoing global geopolitical and macroeconomic challenges, PUMA expects to achieve mid-single-digit currency-adjusted sales growth and an operating result (EBIT) in the range of € 620 million to € 700 million for the financial year 2024 (2023: € 621.6 million). The outlook assumes that the future devaluation of the Argentine peso will be fully compensated by corresponding price increases in Argentina.

We expect net income (2023: € 304.9 million) to change in 2024 in line with the operating result.

As in previous years, PUMA will continue to focus on managing short-term challenges without compromising the brand's medium- and long-term momentum. Our sales growth and market share gains will take priority over short-term profitability. The exciting product range for 2024 and the very good feedback from retail partners as well as consumers give us confidence for the medium- and long-term success and continued growth of PUMA.

## INVESTMENTS

Investments in fixed assets of around € 300 million are planned for 2024. The majority of these investments will be in infrastructure in order to create the operating conditions required for the planned long-term growth. The investments mainly concern own distribution and logistics centers, investments in the expansion and modernisation of the Group's own retail stores and investments in IT infrastructure.

## FOUNDATION FOR LONG-TERM GROWTH

The Management Board and the Supervisory Board have set long-term strategic priorities. Action plans are being implemented in a targeted and value-oriented manner. We believe that the corporate strategy "Forever Faster" provides the basis for mid- and long-term positive development.

Herzogenaurach, 7 February 2024

The Management Board

| | | | |
|---|---|---|---|
| Freundt | Hinterseher | Descours | Valdes |

This is a translation of the German version. In case of doubt, the German version shall apply.

# CONSOLIDATED FINANCIAL STATEMENTS

## PUMA SE FOR FINANCIAL YEAR 2023 – INTERNATIONAL FINANCIAL REPORTING STANDARDS – IFRS



RIHANNA

# CONSOLIDATED FINANCIAL STATEMENTS

## ↗ T.01 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Notes | 31 Dec. 2023<br>€ million | 31 Dec. 2022<br>€ million |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | 3 | 552.9 | 463.1 |
| Inventories | 4 | 1,804.4 | 2,245.1 |
| Trade receivables | 5 | 1,118.4 | 1,064.9 |
| Income tax receivables | 22 | 90.1 | 54.0 |
| Other current financial assets | 6 | 94.9 | 137.4 |
| Other current assets | 7 | 270.4 | 235.9 |
| **Current assets** | | **3,931.1** | **4,200.4** |
| Deferred tax assets | 8 | 296.1 | 295.0 |
| Property, plant and equipment | 9 | 685.6 | 592.2 |
| Right-of-use assets | 10 | 1,087.7 | 1,111.3 |
| Intangible assets | 11 | 530.8 | 506.5 |
| Other non-current financial assets | 12 | 83.6 | 58.4 |
| Other non-current assets | 12 | 25.6 | 8.8 |
| **Non-current assets** | | **2,709.3** | **2,572.3** |
| **Total assets** | | **6,640.4** | **6,772.7** |

| | Notes | 31 Dec. 2023<br>€ million | 31 Dec. 2022<br>€ million |
|---|---|---|---|
| **LIABILITIES AND EQUITY** | | | |
| Current borrowings | 13 | 145.9 | 75.9 |
| Trade payables | 13 | 1,499.8 | 1,734.9 |
| Income tax liabilities | 22 | 79.3 | 86.8 |
| Current lease liabilities | 10 | 212.4 | 200.2 |
| Other current provisions | 16 | 27.7 | 50.3 |
| Other current financial liabilities | 13 | 78.6 | 76.1 |
| Other current liabilities | 13 | 493.4 | 618.9 |
| **Current liabilities** | | **2,537.2** | **2,843.0** |
| Non-current borrowings[1] | 13 | 426.1 | 251.5 |
| Non-current lease liabilities | 10 | 1,020.0 | 1,030.3 |
| Deferred tax liabilities | 8 | 12.4 | 42.0 |
| Pension provisions | 15 | 22.5 | 22.4 |
| Other non-current provisions | 16 | 27.3 | 29.5 |
| Other non-current financial liabilities | 13 | 11.4 | 13.8 |
| Other non-current liabilities | 13 | 1.3 | 1.4 |
| **Non-current liabilities** | | **1,520.9** | **1,390.9** |
| Subscribed capital | 17 | 150.8 | 150.8 |
| Capital reserve | 17 | 93.8 | 90.8 |
| Other reserves | 17 | 2,330.4 | 2,253.6 |
| Treasury stock | 17 | -21.6 | -23.5 |
| Equity attributable to the shareholders of PUMA SE | | 2,553.4 | 2,471.7 |
| Non-controlling interests | 17, 28 | 28.9 | 67.1 |
| **Total equity** | | **2,582.3** | **2,538.8** |
| **Total liabilities and equity** | | **6,640.4** | **6,772.7** |

[1] In order to improve the communication of decision-relevant information, non-current borrowings are no longer reported under other non-current financial liabilities in the 2023 reporting year, but are reported in a separate balance sheet item. The previous year's figures have been adjusted accordingly.

## ↗ T.02 CONSOLIDATED INCOME STATEMENT

| | Notes | 2023<br>€ million | 2022<br>€ million |
|---|---|---|---|
| **Sales** | 19, 24 | **8,601.7** | **8,465.1** |
| Cost of sales | 24 | -4,615.1 | -4,562.3 |
| **Gross profit** | 24 | **3,986.6** | **3,902.7** |
| Royalty and commission income | | 38.5 | 33.8 |
| Other operating income and expenses | 20 | -3,403.5 | -3,295.9 |
| thereof impairment losses on trade receivables and other financial assets | | -12.2 | -4.4 |
| **Operating Result (EBIT)** | | **621.6** | **640.6** |
| Financial income | 21 | 112.7 | 79.4 |
| Financial expenses | 21 | -256.0 | -168.3 |
| **Financial result** | | **-143.3** | **-88.9** |
| **Earnings before taxes (EBT)** | | **478.3** | **551.7** |
| Taxes on income | 22 | -117.8 | -127.4 |
| **Consolidated net income of the year** | | **360.6** | **424.4** |
| attributable to: | | | |
| Non-controlling interests | 17, 28 | 55.7 | 70.9 |
| **Net income attributable to the shareholders of PUMA SE** | | **304.9** | **353.5** |
| Earnings per share (€) | 23 | 2.03 | 2.36 |
| Earnings per share (€) - diluted | 23 | 2.03 | 2.36 |
| Weighted average number of outstanding shares (million shares) | 23 | 149.85 | 149.65 |
| Weighted average number of outstanding shares, diluted (million shares) | 23 | 149.87 | 149.66 |

## ↗ T.03 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 2023 | 2022 |
|---|---|---|
| | **€ million** | **€ million** |
| **Consolidated net income of the year before attribution** | **360.6** | **424.4** |
| Currency translation differences | -87.6 | 68.5 |
| Net gain/ loss on cash flow hedges, net after tax | -18.0 | -64.5 |
| **Items expected to be reclassified to the income statement in the future** | **-105.6** | **4.0** |
| Remeasurements of the net defined benefit liability, net after tax | -0.8 | 7.6 |
| Neutral effects financial assets through other comprehensive income (FVOCI), net after tax | -0.5 | -3.4 |
| **Items not expected to be reclassified to the income statement in the future** | **-1.3** | **4.2** |
| **Other comprehensive income** | **-106.9** | **8.2** |
| **Comprehensive income** | **253.7** | **432.6** |
| attributable to: | | |
| Non-controlling interests | 54.2 | 75.0 |
| Shareholders of PUMA SE | 199.6 | 357.6 |

## ↗ T.04 CONSOLIDATED STATEMENT OF CASH FLOWS

| | Notes | 2023<br>€ million | 2022<br>€ million |
|---|---|---|---|
| **Operating activities** | | | |
| Earnings before tax (EBT) | | 478.3 | 551.7 |
| Adjustments for: | | | |
| Depreciation and impairment | 9, 10, 11 | 357.5 | 358.7 |
| Reversal of impairment losses | 9, 10, 11 | -11.9 | 0.0 |
| Non-realized currency gains/losses, net | | 60.1 | -43.6 |
| Financial income | 21 | -37.8 | -32.3 |
| Financial expenses | 21 | 100.7 | 54.4 |
| Gains/losses from the sale of fixed assets | | -3.9 | 1.0 |
| Changes to pension provision | 15 | -1.5 | 0.5 |
| Other non cash effected expenses/income | | 22.5 | 28.6 |
| **Gross cash flow** | 25 | **964.1** | **918.9** |
| Changes in receivables and other current assets | 5, 6, 7 | -153.4 | -209.4 |
| Changes in inventories | 4 | 352.1 | -747.0 |
| Changes in trade payables and other current liabilities | 13 | -327.9 | 613.1 |
| **Net cash from operational business activities** | | **834.9** | **575.6** |
| Income taxes paid | 22 | -181.3 | -157.4 |
| **Net cash from operating activities** | 25 | **653.6** | **418.3** |

| | Notes | 2023 € million | 2022 € million |
|---|---|---|---|
| **Investing activities** | | | |
| Purchase of property and equipment | 9, 11 | -300.4 | -263.6 |
| Proceeds from sale of property and equipment | | 14.3 | 1.3 |
| Payment for other assets | 12 | -36.3 | -10.8 |
| Interest received | 21 | 37.8 | 32.3 |
| **Net cash used in investing activities** | | **-284.6** | **-240.8** |
| **Financing activities** | | | |
| Repayment of lease liabilities | 10 | -208.0 | -190.0 |
| Repayment of current borrowings | 13 | -59.1 | -9.5 |
| Raising of current borrowings | 13 | 0.0 | 17.9 |
| Repayment of non-current borrowings | 13 | 0.0 | -60.0 |
| Raising of non-current borrowings | 13 | 299.6 | 0.0 |
| Dividend payments to shareholders of PUMA SE | 17 | -122.8 | -107.7 |
| Dividend payments to non-controlling interests | 17, 28 | -92.4 | -73.3 |
| Interest paid | 21 | -94.3 | -53.8 |
| **Net cash used in financing activities** | **25** | **-277.1** | **-476.4** |
| Exchange rate-related changes in cash and cash equivalents | | -2.1 | 4.4 |
| Change in cash and cash equivalents | | 89.8 | -294.4 |
| Cash and cash equivalents at beginning of the financial year | | 463.1 | 757.5 |
| **Cash and cash equivalents at the end of the financial year** | **3, 25** | **552.9** | **463.1** |

## ↗ T.05 STATEMENT OF CHANGES IN EQUITY (in € million)

| | | | Other reserves | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Subscribed capital | Capital reserve | Revenue reserves incl. retained earnings | Difference from currency conversion | Cash flow hedges | Treasury stock | Shareholders' equity | Non-controlling interests | TOTAL equity |
| **1 January 2022** | **150.8** | **86.4** | **2,245.4** | **-320.6** | **78.1** | **-26.9** | **2,213.3** | **65.2** | **2,278.5** |
| Consolidated net income of the year | | | 353.5 | | | | **353.5** | 70.9 | **424.4** |
| Other comprehensive income | | | 4.2 | 63.8 | -63.9 | | **4.1** | 4.1 | **8.2** |
| **Comprehensive income** | | | **357.7** | **63.8** | **-63.9** | | **357.6** | **75.0** | **432.6** |
| Dividends paid to shareholders of PUMA SE / non-controlling interests | | | -107.7 | | | | **-107.7** | -75.3 | **-183.0** |
| Share-based payment and Utilization/Issue of treasury stock | | 4.4 | | | | 3.4 | **7.7** | | **7.7** |
| Transaction with shareholders | | | 0.9 | | | | **0.9** | 2.2 | **3.1** |
| **31 December 2022/ 1 January 2023** | **150.8** | **90.8** | **2,496.2** | **-256.8** | **14.2** | **-23.5** | **2,471.7** | **67.1** | **2,538.8** |
| Consolidated net income of the year | | | 304.9 | | | | **304.9** | 55.7 | **360.6** |
| Other comprehensive income | | | -1.3 | -85.9 | -18.1 | | **-105.3** | -1.5 | **-106.9** |
| **Comprehensive income** | | | **303.6** | **-85.9** | **-18.1** | | **199.6** | **54.2** | **253.7** |
| Dividends paid to shareholders of PUMA SE / non-controlling interests | | | -122.8 | | | | **-122.8** | -92.4 | **-215.3** |
| Share-based payment and Utilization/Issue of treasury stock | | 3.0 | | | | 1.9 | **4.9** | | **4.9** |
| Transaction with shareholders | | | | | | | | 0.1 | **0.1** |
| **31 December 2023** | **150.8** | **93.8** | **2,677.0** | **-342.7** | **-3.9** | **-21.6** | **2,553.4** | **28.9** | **2,582.3** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL

Under the PUMA and Cobra Golf brand names, PUMA SE and its subsidiaries are engaged in the development and sale of a broad range of sports and sports lifestyle products, including footwear, apparel and accessories. The company is a European stock corporation (Societas Europaea/SE) and parent company of the PUMA Group; its registered office is on PUMA WAY 1, 91074 Herzogenaurach, Germany. The competent registry court is in Fürth (Bavaria), the register number is HRB 13085.

The consolidated financial statements of PUMA SE and its subsidiaries (hereinafter referred to in short as the "Group" or "PUMA") were prepared in accordance with the "International Financial Reporting Standards (IFRS)" accounting standards issued by the International Accounting Standards Board (IASB), as they are to be applied in the EU, and the supplementary accounting principles to be applied in accordance with Section 315e(1) of the German Commercial Code (HGB). All of the IASB standards and interpretations, as they are to be applied in the EU, which are mandatory for financial years as of 1 January 2023, have been applied.

The items contained in the financial statements of the individual Group companies are measured based on the currency that corresponds to the currency of the primary economic environment in which the Company operates. The consolidated financial statements are prepared in euros (EUR or €). The presentation of amounts in millions of euros with one decimal place may lead to rounding differences since the calculation of individual items is based on figures presented in thousands.

The cost of sales method is used for the consolidated income statement.

The following new or amended standards and interpretations have been used for the first time in the current financial year:

### ↗ T.06 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

| Standard | Title |
|---|---|
| **First-time adoption in the current financial year** | |
| IFRS 17 (including amendment IFRS 17) | Insurance contracts |
| Amendments to IAS 1 | Disclosure of accounting policies |
| Amendments to IAS 8 | Definition of accounting estimates |
| Amendments to IAS 12 | Deferred taxes relating to assets and liabilities from a single transaction |
| Amendments to IFRS 17 | First-time application of IFRS 17 and IFRS 9 – Comparative information |
| Amendments to IAS 12 | International tax reform – Pillar Two model rules |

The amendments to the standards and interpretations described below, which were to be initially adopted as of 1 January 2023, did not materially affect the PUMA consolidated financial statements.

The IFRS 17 standard regulates the accounting treatment of insurance contracts and replaces the previously valid transitional standard IFRS 4. The scope of application includes insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. The amendment to IFRS 17 postponed the date of first mandatory application of IFRS 17 to 1 January 2023. These amendments have no effect on the PUMA consolidated financial statements.

The amendments to IAS 1 and IFRS Guideline Document 2 are intended to assist preparers in deciding which accounting policies they must disclose in the financial statements. This requires an enterprise to disclose essential information relating to accounting policies rather than just its significant accounting policies. This change has no material effect on the PUMA consolidated financial statements.

The amendment to IAS 8 is intended to help distinguish between accounting policies and accounting-related estimates. The definition of a change in accounting estimates has been replaced by a definition of accounting estimates. According to the new definition, accounting-related estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". This change has no effect on the PUMA consolidated financial statements.

The amendment to IAS 12 narrows the scope of the "initial recognition exemption" under which no deferred tax assets or liabilities are to be recognised at the time of recognition of an asset or liability. If temporary differences of the same amount are simultaneously deductible and taxable in a single transaction, they are no longer covered by the exception, meaning that deferred tax assets and liabilities must be recognised. This change does not materially affect PUMA's net assets, financial position and results of operations. However, the amendment to IAS 12 leads to a change in the disclosures to be made in the notes to the consolidated financial statements.

The amendment to IFRS 17 concerns companies that apply IFRS 17 and IFRS 9 simultaneously for the first time. The amendment allows an entity to present comparative information about a financial asset in such a way that the IFRS 9 rules on classification and measurement would have been previously applied to that financial asset. This change has no effect on the PUMA consolidated financial statements.

The amendments to IAS 12 introduce a temporary exemption for deferred tax accounting in the framework of the implementation of the global minimum taxation ("OECD Pillar Two Scheme"). This should help to ensure the consistency of financial statements while facilitating implementation of the rules. Targeted disclosure requirements will also be introduced to help investors better understand the impact of the reform on the company, especially before the country-specific legislation implementing minimum taxation enters into force. This change has no material effect on the PUMA consolidated financial statements.

## NEW, BUT NOT YET MANDATORY, STANDARDS AND INTERPRETATIONS

The following standards and interpretations have been released but will only become effective in later reporting periods and are not applied earlier by the Group:

### ↗ T.07 NEW, BUT NOT YET MANDATORY, STANDARDS AND INTERPRETATIONS

| Standard | Title | Date of adoption* | Planned adoption |
|---|---|---|---|
| **Endorsed** | | | |
| Amendments to IFRS 16 | Lease liabilities as part of a sale and leaseback transaction | 01/01/2024 | 01/01/2024 |
| | | | |
| **Endorsement pending** | | | |
| Amendments to IAS 1 | Classification of liabilities as current or non-current | 01/01/2024 | 01/01/2024 |
| Amendments to IAS 1 | Non-current liabilities with covenants | 01/01/2024 | 01/01/2024 |
| Amendments to IAS 7 and IFRS 7 | Supplier financing agreements | 01/01/2024 | 01/01/2024 |
| Amendments to IAS 21 | Lack of exchangeability | 01/01/2025 | 01/01/2025 |
| Amendments to IFRS 10 and IAS 28 | Sale or contribution of assets | Postponed indefinitely | |

* Adjusted by EU endorsement, if applicable

PUMA does not expect that these amendments will have any significant effects on the net assets, financial position and results of operations. However, the amendments to IAS 7 and IFRS 17 concerning supplier financing agreements expand the scope of future disclosures in the notes to the consolidated financial statements.

## 2. SIGNIFICANT CONSOLIDATION, ACCOUNTING AND VALUATION PRINCIPLES

### CONSOLIDATION PRINCIPLES

The consolidated financial statements were prepared as of 31 December 2023, the reporting date of the annual financial statements of the PUMA SE parent company, on the basis of uniform accounting and valuation principles according to IFRS, as applied in the EU.

### GROUP OF CONSOLIDATED COMPANIES

In addition to PUMA SE, the consolidated financial statements include all subsidiaries in which PUMA SE directly or indirectly holds existing rights that give it the current ability to direct the relevant activities. At present, control of all Group companies is based on a direct or indirect majority of voting rights.

Associated companies are generally accounted for in the Group using the equity method. As of 31 December 2023, however, the Group does not hold any investments in associated companies.

The changes in the number of Group companies (including the parent company PUMA SE) in the financial year 2023 were as follows:

### ↗ T.08 GROUP OF CONSOLIDATED COMPANIES

| **As of** | **31 Dec. 2022** | **100** |
|---|---|---|
| Formation of companies | | 1 |
| Disposal of companies | | -1 |
| **As of** | **31 Dec. 2023** | **100** |

The addition to the group of consolidated companies relates to the formation of PUMA Card Services NA LLC, USA.

The disposal in the group of consolidated companies concerns the merger of PUMA Sports SEA Trading Pte. Ltd., Singapore within the group of consolidated companies.

The changes in the group of consolidated companies did not have a significant effect on the net assets, financial position and results of operations.

The Group companies are allocated to regions as follows:

## ↗ T.09 LIST OF SHAREHOLDINGS

**AS OF 31 DECEMBER 2023**

| No. | Companies/Legal Entities | Country | City | Shareholder | Share of capital |
|---|---|---|---|---|---|
| | **Parent company** | | | | |
| 1. | PUMA SE | Germany | Herzogenaurach | | |
| | **EMEA** | | | | |
| 2. | Austria Puma Dassler Gesellschaft m.b.H. | Austria | Salzburg | direct | 100% |
| 3. | stichd austria gmbh | Austria | Salzburg | indirect | 100% |
| 4. | Puma Czech Republic s.r.o. | Czech Republic | Prague | indirect | 100% |
| 5. | PUMA DENMARK A/S | Denmark | Aarhus | indirect | 100% |
| 6. | PUMA Estonia OÜ | Estonia | Tallinn | indirect | 100% |
| 7. | PUMA Finland Oy | Finland | Helsinki | indirect | 100% |
| 8. | PUMA FRANCE SAS | France | Strasbourg | indirect | 100% |
| 9. | stichd france SAS | France | Boulogne Billancourt | indirect | 100% |
| 10. | PUMA International Trading GmbH | Germany | Herzogenaurach | direct | 100% |
| 11. | PUMA Europe GmbH | Germany | Herzogenaurach | direct | 100% |
| 12. | PUMA Sprint GmbH | Germany | Herzogenaurach | direct | 100% |
| 13. | PUMA Mostro GmbH | Germany | Herzogenaurach | indirect | 100% |
| 14. | PUMA Blue Sea GmbH | Germany | Herzogenaurach | indirect | 100% |
| 15. | stichd germany gmbh | Germany | Düsseldorf | indirect | 100% |
| 16. | PUMA UNITED KINGDOM LTD | Great Britain | London | indirect | 100% |
| 17. | PUMA PREMIER LTD | Great Britain | London | indirect | 100% |
| 18. | STICHD UK LTD | Great Britain | Mansfield | indirect | 100% |

**AS OF 31 DECEMBER 2023**

| | | | | | |
|---|---|---|---|---|---|
| 19. | STICHD SPORTMERCHANDISING UK LTD | Great Britain | London | indirect | 100% |
| 20. | GENESIS GROUP INTERNATIONAL LIMITED | Great Britain | Manchester | direct | 100% |
| 21. | Sport Equipment Hellas S. A. of Footwear, Apparel and Sportswear u.Li. | Greece | Athens | direct | 100%[1)] |
| 22. | PUMA ITALIA S.R.L. | Italy | Assago | indirect | 100% |
| 23. | STICHD ITALY SRL | Italy | Assago | indirect | 100% |
| 24. | Puma Sport Israel Ltd. In Liq | Israel | Hertzeliya | indirect | 100% |
| 25. | Puma Benelux B.V. | Netherlands | Leusden | direct | 100% |
| 26. | PUMA International Sports Marketing B.V. | Netherlands | Leusden | direct | 100% |
| 27. | stichd group B.V. | Netherlands | s-Hertogenbosch | direct | 100% |
| 28. | stichd international B.V. | Netherlands | s-Hertogenbosch | indirect | 100% |
| 29. | stichd sportmerchandising B.V. | Netherlands | s-Hertogenbosch | indirect | 100% |
| 30. | stichd B.V. | Netherlands | s-Hertogenbosch | indirect | 100% |
| 31. | stichd logistics B.V. | Netherlands | s-Hertogenbosch | indirect | 100% |
| 32. | stichd licensing B.V. | Netherlands | s-Hertogenbosch | indirect | 100% |
| 33. | PUMA NORWAY AS | Norway | Fornebu | indirect | 100% |
| 34. | PUMA POLSKA sp. z o.o. | Poland | Warsaw | indirect | 100% |
| 35. | PUMA SPORTS ROMANIA SRL | Romania | Voluntari | indirect | 100% |
| 36. | PUMA-RUS o.o.o. | Russia | Moscow | indirect | 100% |
| 37. | PUMA SPORTS DISTRIBUTORS (PTY) LTD | South Africa | Cape Town | indirect | 100% |
| 38. | PUMA SPORTS S A (PTY) LTD | South Africa | Cape Town | indirect | 100% |
| 39. | PUMA IBERIA SLU | Spain | Madrid | direct | 100% |
| 40. | STICHDIBERIA S.L. | Spain | Cornella de Llobregat | indirect | 100% |
| 41. | Nrotert AB | Sweden | Helsingborg | direct | 100% |
| 42. | PUMA Nordic AB | Sweden | Helsingborg | indirect | 100% |

**AS OF 31 DECEMBER 2023**

| | | | | | |
|---|---|---|---|---|---|
| 43. | Nrotert Sweden AB | Sweden | Helsingborg | indirect | 100% |
| 44. | stichd nordic AB | Sweden | Helsingborg | indirect | 100% |
| 45. | MOUNT PUMA AG | Switzerland | Oensingen | direct | 100% |
| 46. | Puma Retail AG | Switzerland | Oensingen | indirect | 100% |
| 47. | stichd switzerland ag | Switzerland | Egerkingen | indirect | 100% |
| 48. | PUMA Spor Giyim Sanayi ve Ticaret A.S. | Türkiye | Istanbul | indirect | 100% |
| 49. | PUMA UKRAINE LIMITED LIABILITY COMPANY | Ukraine | Kiew | indirect | 100% |
| 50. | PUMA Middle East FZ-LLC | United Arab Emirates | Dubai | indirect | 100% |
| 51. | PUMA UAE (L.L.C) | United Arab Emirates | Dubai | indirect | 100% |
| | **Americas** | | | | |
| 52. | PUMA Sports Argentina S.A. (former Unisol S.A.) | Argentina | Buenos Aires | indirect | 100% |
| 53. | PUMA Sports Ltda. | Brazil | Sao Paulo | indirect | 100% |
| 54. | PUMA Canada, Inc. | Canada | Toronto | indirect | 100% |
| 55. | PUMA United Canada ULC | Canada | Vancouver | indirect | 51% |
| 56. | PUMA CHILE SpA | Chile | Santiago | direct | 100% |
| 57. | PUMA SERVICIOS SpA | Chile | Santiago | indirect | 100% |
| 58. | PUMA México Sport, S.A. de C.V. | Mexico | Mexico City | direct | 100% |
| 59. | Importaciones RDS, S.A. de C.V. | Mexico | Mexico City | direct | 100% |
| 60. | GLOBAL LICENSE STICHD GROUP MEXICO S.A. de C.V. | Mexico | Mexico City | indirect | 100% |
| 61. | Importationes Brand Plus Licensing S.A. de C.V. | Mexico | Mexico City | indirect | 100% |
| 62. | Distribuidora Deportiva PUMA S.A.C. | Peru | Lima | indirect | 100% |
| 63. | Distribuidora Deportiva PUMA Tacna S.A.C. | Peru | Tacna | indirect | 100% |
| 64. | PUMA Sports LA S.A. | Uruguay | Montevideo | direct | 100% |
| 65. | PUMA Suede Holding, Inc. | USA | Wilmington | indirect | 100% |

**AS OF 31 DECEMBER 2023**

| | | | | | |
|---|---|---|---|---|---|
| 66. | PUMA North America, Inc. | USA | Wilmington | indirect | 100% |
| 67. | Cobra Golf Incorporated | USA | Wilmington | indirect | 100% |
| 68. | PUMA United Aviation North America LLC | USA | Wilmington | indirect | 70% |
| 69. | PUMA United Canada Holding, Inc. | USA | Wilmington | indirect | 100% |
| 70. | PUMA United North America LLC | USA | Dover | indirect | 51% |
| 71. | Janed Canada, LLC | USA | Dover | indirect | 51% |
| 72. | stichd NA, Inc. | USA | Lewes | indirect | 100% |
| 73. | PUMA Card Services NA, LLC. | USA | Plantation | indirect | 100% |
| | **Asia/Pacific** | | | | |
| 74. | PUMA Australia Pty. Ltd. | Australia | Melbourne | indirect | 100% |
| 75. | White Diamond Australia Pty. Ltd. | Australia | Melbourne | indirect | 100% |
| 76. | White Diamond Properties Pty. Ltd. | Australia | Melbourne | indirect | 100% |
| 77. | PUMA China Ltd. (彪马（上海）商贸有限公司) | China | Shanghai | indirect | 100% |
| 78. | stichd Trading (Shanghai) Co., Ltd. (斯梯起特贸易（上海）有限公司) | China | Shanghai | indirect | 100% |
| 79. | Guangzhou World Cat Information Consulting Services Company Ltd. (广州寰彪信息咨询服务有限公司) | China | Guangzhou | indirect | 100% |
| 80. | World Cat Ltd. (寰彪有限公司) | China | Hong Kong | direct | 100% |
| 81. | Development Services Ltd. | China | Hong Kong | direct | 100% |
| 82. | PUMA International Trading Services Ltd. | China | Hong Kong | indirect | 100% |
| 83. | PUMA ASIA PACIFIC LTD (彪馬亞太區有限公司) | China | Hong Kong | direct | 100% |
| 84. | PUMA Hong Kong Ltd. (彪馬香港有限公司) | China | Hong Kong | indirect | 100% |
| 85. | stichd Limited | China | Hong Kong | indirect | 100% |
| 86. | PUMA Sports India Private Ltd. | India | Bangalore | indirect | 100% |
| 87. | PT PUMA Cat Indonesia | Indonesia | Jakarta | indirect | 100% |
| 88. | PT PUMA Sports Indonesia | Indonesia | Jakarta | indirect | 100% |

**AS OF 31 DECEMBER 2023**

| | | | | | |
|---|---|---|---|---|---|
| 89. | PUMA Japan K.K. (プーマ ジャパン株式会社) | Japan | Tokyo | indirect | 100% |
| 90. | PUMA Korea Ltd. (푸마코리아 유한회사) | (South) Korea | Seoul | direct | 100% |
| 91. | Stichd Korea Ltd | (South) Korea | Incheon | indirect | 100% |
| 92. | PUMA Sports Goods Sdn. Bhd. | Malaysia | Petaling Jaya | indirect | 100% |
| 93. | STICHD SOUTHEAST ASIA SDN. BHD. | Malaysia | Kuala Lumpur | indirect | 100% |
| 94. | PUMA New Zealand Ltd. | New Zealand | Auckland | indirect | 100% |
| 95. | PUMANILA IT SERVICES INC. | Philippines | City of Makati | indirect | 100% |
| 96. | PUMA Sports Philippines Inc. | Philippines | City of Makati | indirect | 100% |
| 97. | PUMA SOUTH EAST ASIA PTE. LTD. | Singapore | | indirect | 100% |
| 98. | PUMA Taiwan Sports Ltd. (台灣彪馬股份有限公司) | China (Taiwan) | Taipei | indirect | 100% |
| 99. | PUMA Sports (Thailand) Co., Ltd. | Thailand | Bangkok | indirect | 100% |
| 100. | World Cat Vietnam Sourcing & Development Services Company Limited (CÔNG TY TNHH DỊCH VỤ PHÁT TRIỂN & NGUỒN CUNG ỨNG WORLD CAT VIỆT NAM) | Vietnam | Ho Chi Minh City | indirect | 100% |

[1] subsidiaries which are assigned to be economically 100% PUMA Group

PUMA Mostro GmbH, PUMA Blue Sea GmbH and PUMA Sprint GmbH have made use of the exemption provision under Section 264(3) of the German Commercial Code (HGB). PUMA Europe GmbH and PUMA International Trading GmbH have also made use of the exemption provision under Section 264(3) HGB, but waive the exemption from the third subsection.

## CURRENCY CONVERSION

In general, monetary items in foreign currencies are converted in the individual financial statements of the Group companies at the exchange rate valid on the balance sheet date. Any resulting currency gains and losses are immediately recognised in the income statement. Non-monetary items are converted at historical acquisition and manufacturing cost.

The assets and liabilities of foreign subsidiaries, whose functional currency is not the euro, have been converted to euros at the exchange rates valid on the balance sheet date. Expenses and income have been converted at the annual average exchange rates. Any differences resulting from the currency conversion of net assets relative to exchange rates that had changed in comparison with the previous year were adjusted directly in other comprehensive income.

The significant conversion rates per euro are as follows:

### ↗ T.10 SIGNIFICANT CONVERSION RATES

| | 2023 | | 2022 | |
|---|---|---|---|---|
| **Currency** | **Reporting date exchange rate** | **Average exchange rate** | **Reporting date exchange rate** | **Average exchange rate** |
| USD | 1.1050 | 1.0813 | 1.0666 | 1.0530 |
| CNY | 7.8509 | 7.6600 | 7.3582 | 7.0788 |
| JPY | 156.3300 | 151.9903 | 140.6600 | 138.0274 |
| MXN | 18.7231 | 19.1830 | 20.8560 | 21.1869 |
| ARS* | 892.9166 | - | 188.7249 | - |
| GBP | 0.8691 | 0.8698 | 0.8869 | 0.8528 |

* Due to the application of accounting for hyperinflationary economies in Argentina, all items in the financial statements are converted at the exchange rate applicable on the reporting date.

Argentina and Türkiye are in a hyperinflation environment. In 2022, the subsidiaries whose functional currency is the Argentine peso or the Turkish lira applied the accounting for hyperinflationary economies in accordance with IAS 29 for the first time, with retroactive effect from 1 January 2022. The carrying amounts of non-monetary assets and liabilities, shareholders' equity and other comprehensive income are translated into the unit of measurement applicable at the balance sheet date and thus adjusted to reflect price changes. The financial statements are based on the concept of historical acquisition and/or production costs. The exchange rate as of 31 December 2023 was used for conversion into the reporting currency, the euro, for all items.

Gains and losses on the net monetary position are included in the financial result. In the financial year 2023, the net profit from the monetary items amounted to € 7.7 million (previous year: € 0.9 million). The amount also includes interest income from invested liquid funds in accordance with IAS 29.28.

The price index used for Türkiye as of 31 December 2023 was 1,859.4 (31 December 2022: 1,128.5) and is based on the consumer price index. The general price index used for Argentina as of 31 December 2023 was 3,500.4 (31 December 2022: 1,134.3).

## ACCOUNTING AND VALUATION PRINCIPLES

### FINANCIAL INSTRUMENTS

Financial instruments are classified and recognised in accordance with IFRS 9. Acquisitions and disposals of financial assets, with the exception of trade receivables, are initially recognised on the settlement date and are recorded at fair value.

For investments (equity instruments), IFRS 9 allows a measurement at fair value through other comprehensive income (FVOCI) under certain conditions. If these investments, however, are disposed of or adjusted in value, the gains and losses from these investments which were not realised up to this point are reclassified to retained earnings in accordance with IFRS 9.

### DERIVATIVE FINANCIAL INSTRUMENTS/HEDGE ACCOUNTING

In relation to the accounting of hedge relationships, PUMA made use of the option to continue applying the rules of IAS 39 for hedge accounting.

Derivative financial instruments are recognised at fair value at the time a contract is entered into and thereafter. At the time a hedging instrument is concluded, PUMA classifies the derivatives either as hedges of a planned transaction and hedging variable interest flows from the promissory note loans (cash flow hedge accounting), or as hedges of the fair value of a recognised asset or liability (fair value hedge).

At the time when the transaction is concluded, the hedging relationship between the hedging instrument and the underlying transaction as well as the purpose of risk management and the underlying strategy are documented. In addition, assessments as to whether the derivatives used in the hedge accounting compensate effectively for a change in the fair value or the cash flow of the underlying transaction are documented at the beginning of the hedging relationship and continuously thereafter.

The Group designates the spot rate for forward transactions and the intrinsic value for options contracts. The interest component and/or fair value are excluded from the designation of the hedging instrument and are recorded in the financial result through profit or loss.

The Group determines the existence of an economic relationship between the hedging instrument and the hedged underlying transaction on the basis of the key valuation parameters, such as the reference interest rate, the currency, the amount and the time of their respective cash flows (critical terms match method). The Group uses the cumulative dollar offset method to assess whether the derivative designated in each hedging relationship is expected to be prospectively effective and retroactively effective in relation to offsetting changes in the cash flows of the hedged underlying transaction.

The main reason for ineffectiveness is the decline or loss of hedged transactions in these hedging relationships.

Changes in the market value of derivatives that are intended and suitable for cash flow hedging and that prove to be effective are adjusted directly in other comprehensive income, taking into account deferred taxes. If there is no complete effectiveness, the ineffective part is recognised in the income statement. The amounts recognised in other comprehensive income are recognised in the income statement during the same period in which the hedged planned transaction affects the income statement. If, however, a hedged future transaction results in the recognition of a non-financial asset or a liability, gains or losses previously recorded in other comprehensive income are included in the initial measurement of the acquisition costs of the respective asset or liability.

Changes in the market value of derivatives that qualify for and are designated as fair value hedges are recognised directly in the consolidated income statement, together with changes in the fair value of the underlying transaction attributable to the hedged risk. The changes in the market value of the derivatives and the change in the underlying transaction attributable to the hedged risk are reported in the consolidated income statement under the item relating to the underlying transaction.

The fair values of the derivative instruments used to secure planned transactions and for hedging the variable cash flows from the promissory note loans (cash flow hedge accounting) and to secure the fair value of a recognised asset or liability (fair value hedge) are shown under "Other current and non-current financial assets or liabilities".

#### PUMA AS LESSEE

The leases for which PUMA acts as a lessee are identified at the individual contract level. For these leases, PUMA recognises a right-of-use asset and a respective lease liability, with the exception of short-term leases (defined as leases with a term of no more than 12 months) and low-value lease agreements (with a value of less than € 5,000 at contract conclusion). In the case of a short-term lease or low-value lease, the Group recognises the lease payments on a straight-line basis over the term of the lease agreement as other operating expense.

In addition, right-of-use assets are not recognised for intangible assets. PUMA has made use of the option and decided not to apply IFRS 16 with regard to leases for intangible assets.

The lease liability at initial recognition is measured at the present value of the not yet paid lease payments at the beginning of the lease agreement. The present value is calculated using the incremental borrowing rate, as the interest rate implicit in the lease is usually not known.

A number of lease agreements, particularly for real estate properties, contain extension and termination options. When determining agreement terms, all facts and circumstances are taken into account that offer a financial incentive to exercise the extension option or not to exercise the termination option. The changes in the term of a lease due to the exercise or non-exercise of such options are only taken into account for the agreement term if they are sufficiently certain.

The lease liability is recognised as a separate line item on the consolidated balance sheet.

The right-of-use assets comprise the respective lease liability as part of initial valuation. Lease instalments that are paid before or at the beginning of the lease are added. Lease incentives received from the lessor are deducted and initial direct costs are included. If dismantling obligations exist with regard to the leased assets, they are included in the valuation of the right-of-use assets. The subsequent valuation of the right-of-use assets is at acquisition cost less accumulated depreciation and impairment losses.

The right-of-use assets are generally depreciated over the term of the lease. If the useful life of the asset underlying the lease is shorter, this limits the depreciation period accordingly. Depreciation starts with the commencement of the lease.

As part of the practical expedient, IFRS 16 permits dispensing with a separation between non-lease components and lease components. With regard to land and buildings, PUMA generally does not apply the practical expedient, meaning that the right-of-use assets relating to land and buildings only contain leasing components. With regard to other right-of-use assets (comprising technical equipment & machines and motor vehicles), the practical expedient is generally applied, the result of which is that the leasing components and non-leasing components are both recognised.

The right-of-use assets are recognised as a separate line item in the consolidated balance sheet.

The rights of use are subject to the impairment regulations pursuant to IAS 36. As a general rule, the right-of-use assets are tested for impairment (impairment test) if there is any indication that the value of the asset could be impaired. The right-of-use assets, in particular in connection with the Group's own retail stores, are subjected to an impairment test if there are indicators or changes in planning assumptions that suggest that the carrying amount of the assets may not be recoverable. To this end, a triggering event test of all retail stores, each of which is a separate cash-generating unit, is carried out after preparation of the annual budget planning or on an ad-hoc basis.

For the purposes of the triggering event test, the recoverable amount of the respective retail stores is determined as a value in use using a simplified discounted cash flow method. The value in use is determined on the basis of the planned cash flows for the retail stores according to the budget, which is prepared on a bottom-up basis and approved by management. The forecast period is derived from the expected useful lives of the respective retail store and is reviewed annually. Following the bottom-up budget, revenue and cost developments are used as a basis for the remaining useful life, the growth rate of which is based on expected nominal retail growth. Growth rates in the single-digit percentage range are expected for all retail stores over the three-year detailed planning period. In calculating the value in use of retail transactions, cash flows in non-inflationary countries were measured at a weighted cost of capital rate of between 8.8% and 38.0% (previous year: between 8.2% and 25.3%) and the cash flows of retail transactions in the two high-inflation countries with a weighted cost of capital between 31.2% and 145.0% (previous year: between 20.0% and 62.7%). This was based on a risk-free interest rate on equivalent term structures of 3.1% (previous year: 2.3%) and a market risk premium of 7.0% (previous year: 7.3%) are used as a basis.

If, in the triggering event test, the carrying amount of the retail store assets exceeds the simplified value in use, the recoverable amount of this cash-generating unit is calculated with the discounted cash flow method using the above cost of capital rates. This is based on the individual planning of cash flows for the retail store. If an impairment arises, the right of use is impaired first.

If there are indications that retail stores for which impairment has been recorded in the past have been able to achieve a turnaround and that their rights of use are recoverable, the impairment is reversed up to a maximum of the amount of amortised costs.

If there is an impairment loss or a reversal of an impairment loss, this is allocated to the central area in the segment reporting under IFRS 8. However, the impaired assets are reported in the relevant operating segments.

### PUMA AS LESSOR

In financial year 2023, the accounting principles of IFRS 16 were applied for PUMA as a lessor for the first time. If PUMA acts as a lessor, it is determined at the beginning of the lease whether it is a finance lease or an operating lease. In order to classify the lease agreement, PUMA makes an overall assessment of whether the lease essentially transfers all the risks and benefits associated with ownership of the underlying asset. If this is the case, it is classified as a finance lease. If not, it is classed as an operating lease. Various indicators are taken into account as part of this assessment, such as whether the lease ratio comprises the majority of the economic useful life of the underlying asset. At our discretion, the leases in which PUMA acts as an intermediate lessor are in most cases finance leases, as subletting always covers most of the term of the main lease. If PUMA acts as an interim lessor, the shares in the main lease contract and the sub-lease contract are accounted for separately.

In the case of finance leases, a net investment (receivable) equal to the discounted future rental payments to be received is recognised in the balance sheet and reported under other assets (without inclusion in working capital). The marginal debt interest rate is used to determine the discount, as the interest rate underlying the lease is generally unknown. Interest income from finance leases is reported in the cash flow from investing activities.

If the lease is classified as operating leases, the lease payments are immediately recognised in profit or loss as rental income.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and bank balances. This also includes free cash and cash equivalents that are invested as a fixed-term deposit with a term of up to three months. The total amount of cash and cash equivalents is consistent with the cash and cash equivalents stated in the cash flow statement.

Cash and cash equivalents are measured at amortised cost. They are subject to the impairment requirements in accordance with IFRS 9 "Financial Instruments". PUMA monitors the credit risk of these financial instruments taking into account the economic situation, external credit rating and/or premiums for credit default swaps (CDS) of other financial institutions. The credit risk from cash and cash equivalents is classified as immaterial, due to the relatively short terms and the investment-grade credit rating of the counterparty, which signals a low probability of default for the financial instruments.

## INVENTORIES

The Group procures inventories primarily from third parties and these are reported as goods within inventories. To a small extent, footwear and golf clubs are produced in-house, which are reported as finished goods together with the goods within the inventories.

Inventories are measured at acquisition or manufacturing cost or at the lower net realisable values derived from the selling price at the balance sheet date. The acquisition cost of merchandise is determined using an averaging method. Value adjustments are adequately recorded, depending on age, seasonality and realisable market prices.

## TRADE RECEIVABLES

Trade receivables are initially measured at the transaction price and subsequently at amortised cost with deduction of value adjustments, in the form of a provision for risks.

When determining the provision for risks for trade receivables, PUMA uniformly applies the simplified method in order to determine the expected credit losses over the remaining lifetime of the trade receivables (called "lifetime expected credit losses") in accordance with the provisions of IFRS 9 "Financial Instruments". For this, trade receivables are classified by geographic region into suitable groups with shared credit risk characteristics. The expected credit losses are calculated using a matrix that presents the age structure of the receivables and depicts a likelihood of loss for the individual maturity bands of the receivables on the basis of historic credit loss events and future-based factors. The percentage rates for the loss likelihoods are checked regularly to ensure they are up to date. If objective indications of a credit impairment are found regarding the trade receivables of a certain customer, a detailed analysis of this customer's specific credit risk is conducted and an individual provision for risks is established for the trade receivables with respect to this customer. If a credit insurance is in place, it is taken into account when determining the amount of the risk provision.

The Group assumes that the default risk of a financial asset has increased significantly if it is more than 30 days overdue.

## OTHER FINANCIAL ASSETS

Other financial assets are classified based on the business model for control and the cash flows of the financial assets. In the Group, financial assets are generally held under a business model that provides for "holding" the asset until maturity, in order to collect the contractual cash flows. The second condition is that the terms and conditions of the financial asset result in cash flows at specified times, which exclusively represent repayments and interest payments on the outstanding nominal amount.

The "trading" business model is used for financial assets in the form of derivatives without a hedging relationship. These are valued at fair value through profit or loss (FVPL).

Non-current financial assets include rental deposits and other assets. Non-interest-bearing non-current assets are discounted to present value if the resulting effect is significant.

### INVESTMENTS

The investment recognised under non-current financial assets belongs to the category "measured at fair value through other comprehensive income" (FVOCI), since these investments are held over the long term for strategic reasons.

All purchases and disposals of investments are recorded on the settlement date. Investments are initially recognised at fair value plus transaction costs. They are also recognised at fair value in subsequent periods. Unrealised gains and losses are recognised in other comprehensive income, taking into account deferred taxes. The gain or loss on disposal of investments is transferred to retained earnings.

The category "measured at fair value through profit or loss" (FVPL) is not used with regard to investments.

### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at acquisition cost, net of accumulated depreciation. The depreciation period depends on the expected useful life of the respective item. The straight-line method of depreciation is applied. The useful life depends on the type of the assets involved. Buildings are subject to a useful life of between ten and fifty years, and a useful life of between three to ten years is assumed for movable assets.

Repair and maintenance costs are recorded as an expense as of the date on which they were incurred. Substantial improvements and upgrades are capitalised to the extent that the criteria for capitalisation of an asset item apply.

### INVESTMENT PROPERTY

In the financial year 2023, accounting for investment property was applied for the first time in accordance with IAS 40. These are accounted for in the same way as property, plant and equipment in accordance with the cost model, with their acquisition or production costs less scheduled depreciation and any necessary impairment losses. Depreciation is carried out on a straight-line basis and the useful lives are generally equivalent to those of property, plant and equipment used in-house.

### OTHER INTANGIBLE ASSETS (NOT INCLUDING GOODWILL)

Acquired intangible assets largely consist of concessions, intellectual property rights and similar rights. These are measured at acquisition cost, net of accumulated amortisation. The useful life of intangible assets is between three and ten years. Scheduled depreciation is done on a straight-line basis.

If the capitalisation requirements of IAS 38.57 "Intangible Assets" are met cumulatively, expenses in the development phase for internally generated intangible assets are capitalised at the time they arise. In subsequent periods, internally generated intangible assets and acquired intangible assets are measured at cost less accumulated amortisation and impairment losses. In the Group, internally generated intangible assets are generally depreciated on a straight-line basis over a useful life of 3 years.

There are also trademark rights acquired for a fee in relation to Cobra Golf. Cobra Golf, founded in 1978, has a brand history spanning over 40 years in golf. The Cobra brand represents the core of the Golf business area and is continued through ongoing marketing investments by the PUMA Group in the Cobra brand. Due to the stability of the golf market and the continuation of the brand by PUMA, an indefinite useful life is assumed for the Cobra brand.

### IMPAIRMENT OF ASSETS

Intangible assets with an indefinite useful life are not amortised according to schedule but are subjected to an annual impairment test. Property, plant and equipment, right-of-use assets, and other intangible assets with finite useful lives are tested for impairment if there is any indication of impairment in the value of the asset concerned. In order to determine whether there is a requirement to record the impairment of an asset, the recoverable amount of the respective asset (the higher amount of the fair value less costs to sell and value in use) is compared with the carrying amount of the asset. If the recoverable amount is lower than the carrying amount, the difference is recorded as an impairment loss. The test for impairment is performed, if possible, at the level of the respective individual asset, otherwise at the level of the cash-generating unit. Goodwill, on the other hand, is tested for impairment only at the level of a group of cash-generating units. If it is determined within the scope of the impairment test that an asset needs to be impaired, then the goodwill, if any, of the group of cash-generating units is written down initially and, in a second step, the remaining amount is distributed proportionately over the remaining assets within the application scope of IAS 36. If the reason for the recorded impairment no longer applies, a reversal of impairment loss is recorded to the maximum amount of the amortised costs. There is no reversal of an impairment loss for goodwill.

The recoverable amount is primarily calculated using the discounted cash flow method. For determining the fair value less costs to sell and value in use, the expected cash flows are based on corporate planning data. Expected cash flows are discounted using an interest rate in line with market conditions. As part of the fair value determination less cost to sell, no special synergies of cash-generating units are taken into account, and corporate planning data is adjusted to the assumptions of market participants, if required. Moreover, there is a difference between the fair value less costs to sell and the value in use because the costs to sell are also taken into account.

Trademarks with an indefinite useful life are subjected to an impairment test based on the relief from royalty-method during the financial year or when the occasion arises. If there is evidence that the underlying Cobra business is insufficiently profitable, the trademark is not only valued individually using the relief from royalty-method, but the recoverable amount of the cash-generating units to which the trademark is attributable is determined.

See chapter 11 for further details, in particular regarding the assumptions used for the calculation.

### BORROWINGS, OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES

In general, these items are recognised at fair value, taking into account transaction costs, and subsequently recognised at amortised cost. Non-interest or low-interest-bearing liabilities with a term of at least one year are recognised at present value, taking into account an interest rate in line with market conditions, and are compounded until their maturity at their repayment amount.

The "trading" business model is used for financial liabilities in the form of derivatives without a hedge relationship. These are valued at fair value through profit or loss (FVPL).

Current borrowings also include those long-term loans that have a maximum residual term of up to one year.

PUMA offers its suppliers a supplier financing programme. This is reverse factoring, the financing conditions of which are also linked to the achievement of sustainability targets by the suppliers in most cases. Participation in the programme is voluntary for the suppliers and helps them to already pre-finance the supplier invoices to PUMA from one of the partner banks against an interest discount significantly before the customary payment date. PUMA is not affected by the participation of the suppliers in the supplier financing programme (in particular no changes to the payment terms, no changes to the payment methods and/or no changes to the original contractual conditions). Accordingly, the liabilities are recognised in the balance sheet as trade payables, and cash outflows are allocated to the cash inflow from operating activities in the cash flow statement.

### PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

In addition to defined benefit plans, some companies apply defined contribution plans, which do not result in any additional pension commitment other than the current contributions. The pension provision under defined benefit plans is generally calculated using the projected unit credit method. This method takes into account not only known pension benefits and pension rights accrued as of the reporting date, but also expected future salary and pension increases. The defined benefit obligation (DBO) is calculated by discounting expected future cash outflows at the rate of return on senior, fixed-rate corporate bonds. The currencies and maturity periods of the underlying corporate bonds are consistent with the currencies and maturity periods of the obligations to be satisfied. In some of the plans, the obligation is accompanied by a plan asset. In that case, the pension provision shown is reduced by the plan asset.

Details regarding the assumed life expectancy, the mortality tables used and other assumptions are shown in chapter 15.

### OTHER PROVISIONS

Provisions for the expected expenses from warranty obligations pursuant to the respective national sales contract laws are recognised at the time of sale of the relevant products, according to the best estimate in relation to the expenditure needed in order to fulfil the Group's obligation.

Provisions are also made to account for onerous contracts. An onerous contract is assumed to exist where the unavoidable costs for fulfilling the contract exceed the economic benefit arising from this contract.

### MANAGEMENT INCENTIVE PROGRAMMES

PUMA uses cash-settled share-based payments, share-based payments settled in cash or equities, and key performance indicator-based long-term incentive programmes. The share-based payments settled in cash or equities are accounted for in the same way as cash-settled share-based payments.

Detailed information on the management incentive programmes is presented in Chapter 18.

### RECOGNITION OF SALES

The Group recognises sales from the sale of sporting goods. The sales are measured at fair value of the consideration to which the Group expects to be entitled from the contract with customers, taking into account returns, discounts and rebates. Amounts collected on behalf of third parties (such as VAT) are not included in sales. The Group records sales at the time when PUMA fulfils its performance obligation to customers and has transferred the right of disposal over the product to customers.

The Group sells footwear, apparel and accessories both to wholesalers and directly to customers through its own retail activities and online sales channels. Meanwhile, the sales-related warranty services cannot be purchased separately and do not lead to services that go beyond the assurance of the specifications at the time of the transfer of risk. Accordingly, the Group records warranties in the balance sheet in accordance with IAS 37 "Provisions, contingent liabilities and contingent assets".

In the case of sales of products to wholesalers, the sales revenue is recorded at the date on which the right of disposal over the products is transferred to customers, in other words, when the products have been shipped to the specific location of the wholesaler (delivery). After delivery, the wholesaler bears the inventory risk and has full right of disposal over the manner and means of distribution and the selling price of the products. In the case of sales to end customers in the Group's own retail stores, the sales are recorded at the date when the right of disposal over the products is transferred to the end customer, in other words, the date on which the end customer buys the products in the retail store. The payment of the purchase price is due as soon as the customers purchase the products. In the case of sales of goods through our own online sales channels, sales are realised when the end customers have accepted the goods and the power of disposal over the goods has been passed to the end customer. The payment terms applied correspond to the standard industry payment terms for each country.

Under certain conditions and according to the contractual stipulations, customers have the option to exchange products or return them for a credit. The amount of the expected returns is estimated on the basis of past experience and is deducted from sales in the form of a liability based on refund obligations. The asset value of the right arising from the product return claim is recorded under inventories and leads to a corresponding reduction of cost of sales.

### ROYALTY AND COMMISSION INCOME

The Group recognises license and commission income from the out-licensing of trademark rights to third parties in accordance with IFRS 15 Revenue from contracts with customers. Income from royalties is recognised in the income statement in accordance with the invoices to be submitted by the licensees. In certain cases, values must be estimated in order to permit accounting on an accrual basis. Commission income is invoiced if the underlying purchase transaction is classified as realised.

### ADVERTISING AND PROMOTIONAL EXPENSES

Advertising expenses are recognised in the income statement at the time they are incurred. In general, promotional expenses stretching over several years are recognised as an expense over the contractual term on an accrual basis. Any expenditure surplus exceeding the economic benefit that results from this allocation of expenses after the balance sheet date is recognised in the financial statements in the form of an impairment of assets and, if necessary, a provision for anticipated losses. If promotional and advertising contracts provide for additional payments when predefined targets are achieved (e.g. medals, championships), which cannot be predicted exactly in terms of time and amount, they are recognised in full in profit or loss at the relevant date.

### FINANCIAL RESULT

The financial result includes interest income from financial investments and interest expenses from loans, along with interest income and expenses in connection with derivative financial instruments. Financial results also include interest expenses from lease liabilities as well as discounted, non-current liabilities associated with acquisitions and those arising from the valuation of pension commitments, in addition to interest income from finance leases.

Exchange rate effects that can be directly allocated to an underlying transaction are shown in the respective income statement item.

### INCOME TAXES

Current income taxes are determined in accordance with the tax regulations of the respective countries where the individual Group companies conduct their operations.

PUMA management regularly assesses individual tax issues to determine whether there is scope for interpretation in view of existing tax regulations. If appropriate, these issues are taken into account in income tax liabilities or deferred taxes. The income tax assessment is generally carried out at the level of the individual case, taking into account any possible interactions. Appropriate balance sheet provisions have been made for potential risks from uncertain tax positions, taking into account IFRIC 23.

### DEFERRED TAXES

Deferred taxes resulting from temporary valuation differences between the IFRS and tax balance sheets of individual Group companies and from consolidation procedures, which are levied by the same taxation authority and can be netted, are charged to each taxable entity and recognised either as deferred tax assets or deferred tax liabilities.

Deferred tax assets may also include claims for tax reductions that result from the expected utilisation of existing losses carried forward to subsequent years and which is likely to materialise. Deferred tax assets or liabilities may also result from accounting treatments that do not affect the income statement.

Deferred tax assets are recognised only to the extent that the respective tax advantage is likely to materialise.

## ESTIMATION UNCERTAINTY

The preparation of the consolidated financial statements requires some assumptions and estimates that have an impact on the measurement and presentation of the recognised assets and liabilities, income and expenses, and contingent liabilities. The assumptions and estimates are based on premises, which in turn are based on currently available information. In individual cases, the actual values may deviate from the assumptions and estimates made. Consequently, future periods involve a risk of adjustment to the carrying amount of the assets and liabilities concerned. If the actual development differs from the expectation, the premises and, if necessary, the carrying amounts of the relevant assets and liabilities are adjusted with an effect on profit or loss.

All assumptions and estimates are continuously reassessed. They are based on historical experiences and other factors, including expectations regarding future global and industry-related trends that appear reasonable under the current circumstances. Assumptions and estimates mainly relate to the valuation of goodwill and trademarks, inventories, liabilities from refund obligations, taxes and leases in which PUMA is the lessee. The most significant forward-looking assumptions and sources of estimation and uncertainty as of the reporting date concerning the above-mentioned items are discussed below.

### Goodwill and brands

A review of the impairment of goodwill is based on the calculation of the value in use as a leading valuation concept. In order to calculate the value in use, the Group must estimate the future cash flows from those cash-generating units to which the goodwill is allocated. To this end, the data used were from the three-year plan, which is based on forecasts of the overall economic development and the resulting industry-specific consumer behaviour. Another key assumption concerns the determination of an appropriate interest rate for discounting the cash flow to present value (discounted cash flow method). The relief from royalty-method is used to value brands. See chapter 11 for further details, in particular regarding the assumptions used for the calculation.

### Inventories

Inventories are measured at acquisition or manufacturing cost or at the lower net realisable values derived from the selling price at the balance sheet date. Value adjustments are adequately recorded, depending on age, seasonality and realisable market prices. Further details on the inventory valuation are provided in chapter 4.

### Liabilities from refund obligations

The Group recognises sales from the sale of sporting goods. The sales are measured at fair value of the consideration to which the Group expects to be entitled from the contract with customers, taking into account returns, discounts and rebates. As customers have the opportunity to exchange goods under certain conditions and in accordance with the contractual agreements, the amount of expected return deliveries is estimated on the basis of experience. The accrual of sales takes place via the liability from refund obligations.

### Taxes

Tax items are determined taking into account the various prevailing local tax laws and the relevant administrative opinions and, due to their complexity, may be subject to different interpretations by persons subject to tax on the one hand and the tax authorities on the other hand. Differing interpretations of tax laws may result in subsequent tax payments for past years; these are included based on the assessment of the management, using the most probable amount or the expected value for the individual case.

The recognition of deferred taxes requires that estimates and assumptions be made concerning future tax planning strategies as well as expected dates of occurrence and the amount of future taxable income. The taxable income from the relevant corporate planning is derived for this assessment. It takes into account the past financial position and the business development expected in the future. Deferred tax assets are recorded in the event of companies incurring a loss only if it is highly probable that future positive results will be achieved. See Chapter 8 for further information.

**PUMA as lessee**

The measurement of lease liabilities under leases in which PUMA is the lessee is based on assumptions for the discount rates used, the lease term and the determination of fixed lease payments. To determine the present value of future minimum lease payments, PUMA uses country- and currency-specific interest rates on borrowings with compatible terms. In addition to the basic lease period, the Group includes extension options in the determination of the lease term if management is sufficiently certain that such options will be exercised after taking into account all facts and circumstances. The fixed lease payments also include firmly agreed upon minimum amounts for agreements with a predominantly variable lease amount.

### DISCRETIONARY DECISIONS

The preparation of the consolidated financial statements requires discretionary decisions relating to the application of accounting methods and the amounts of assets, liabilities, income and expenses reported. Information on the application of accounting policies that have the most material impact on the amounts recorded in the financial statements can be found in the following notes:

**Evaluation of the control of companies with non-controlling interests**

The determination as to whether the Group controls the companies with non-controlling interests is presented in chapter 28, Information on non-controlling interests.

**PUMA as lessee**

The accounting for leases in which PUMA is the lessee includes discretionary decisions, in particular in relation to the term of the lease agreements with regard to determining whether the exercise of extension options is sufficiently certain.

Some real estate leases contain extension options that can only be exercised by PUMA and not by the lessor. If possible, the Group seeks to include extension options when concluding new leases in order to ensure operational flexibility. On the date of provision, the Group assesses whether it is sufficiently certain that the extension options will be exercised. The assessment is carried out individually for each contract and takes into account the amount of the company's own investments and the possibility of changing macroeconomic conditions in the future. If significant events or significant changes occur during the term of the contract that are within PUMA's control, it will be reassessed as to whether it is sufficiently certain that the extension option will be exercised.

Significant discretionary decisions are made in the subsequent valuation of rights of use for retail stores in the context of assessing the existence of an impairment and determining the impairment requirement. Among other things, assumptions are made about the duration of the lease, the future economic development and profitability of the retail stores, and also the underlying interest rate.

# NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 3. CASH AND CASH EQUIVALENTS

As of 31 December 2023, the Group has € 552.9 million (previous year: € 463.1 million) in cash and cash equivalents. This includes bank balances, including short-term financial investments with an original term of up to three months. The average effective interest rate of the financial investments was 1.1% (previous year: 1.7%) for countries without hyperinflation. In countries with hyperinflation, the average effective interest rate of financial investments was 40.9% (previous year: 33.4%). Due to currency exchange controls, transfer restrictions of € 45.6 million (previous year: € 93.3 million) were placed on the cash and cash equivalents reported.

## 4. INVENTORIES

Inventories are allocated to the following main groups:

↗ T.11 **INVENTORIES** (in € million)

| | 2023 | 2022 |
|---|---|---|
| Goods/inventory and finished goods | | |
| Footwear | 625.9 | 750.2 |
| Apparel | 420.8 | 519.0 |
| Accessories/Other | 216.0 | 266.4 |
| Raw materials, consumables and supplies | 34.9 | 46.8 |
| Prepayments made | 2.9 | 3.2 |
| Goods in transit | 458.7 | 592.6 |
| Inventory adjustments related to returns | 45.2 | 66.9 |
| **Total** | **1,804.4** | **2,245.1** |

The raw materials, consumables and supplies mainly relate to raw materials for the production of golf clubs and footwear.

The table shows the carrying amounts of the inventories net of value adjustments. Of the value adjustments in the amount of € 157.1 million (previous year: € 217.0 million) approx. 64.3% (previous year: approx. 67.5%) were recognised as an expense under cost of sales in financial year 2023. The volume of inventories recorded as an expense during the period mainly includes the cost of sales shown in the consolidated income statement.

The inventory adjustments related to returns represents the historical acquisition or production costs of the inventories for which a return is expected.

## 5. TRADE RECEIVABLES

The trade receivables are broken down as follows:

### ↗ T.12 TRADE RECEIVABLES (in € million)

| | 2023 | 2022 |
|---|---|---|
| Trade receivables, gross | 1,183.4 | 1,122.8 |
| Less provision for risks | -65.0 | -57.9 |
| **Trade receivables, net** | **1,118.4** | **1,064.9** |

The change in the provision for risks for financial assets in the "trade receivables" class measured at amortised cost relates to receivables in connection with revenues from contracts with customers and has developed as follows:

### ↗ T.13 CHANGE OF RISK PROVISIONS FOR TRADE RECEIVABLES (in € million)

| | 2023 | 2022 |
|---|---|---|
| **Status of provision for risks as of 1 January** | **57.9** | **58.7** |
| Exchange rate differences | -1.6 | 0.4 |
| Additions | 26.7 | 20.3 |
| Utilization | -3.8 | -5.6 |
| Reversals of unused provision for risks | -14.3 | -15.8 |
| **Status of provision for risks as of 31 December** | **65.0** | **57.9** |

The age structure of the trade receivables is as follows:

### ↗ T.14 AGE STRUCTURE 2023 (in € million)

| | | | overdue | | | |
|---|---|---|---|---|---|---|
| **2023** | **Total** | **Not due** | **0-30 days** | **31-90 days** | **90-180 days** | **Over 180 days** |
| Gross carrying amount - Trade receivables | 1,183.4 | 952.3 | 92.4 | 83.4 | 14.1 | 41.4 |
| Provision for risks | -65.0 | -16.4 | -4.0 | -8.2 | -4.5 | -31.9 |
| Net carrying amount - Trade receivables | 1,118.4 | 935.8 | 88.4 | 75.2 | 9.6 | 9.5 |
| Expected loss rate | | 1.7% | 4.3% | 9.8% | 32.0% | 77.1% |

### ↗ T.15 AGE STRUCTURE 2022 (in € million)

| | | | overdue | | | |
|---|---|---|---|---|---|---|
| **2022** | **Total** | **Not due** | **0-30 days** | **31-90 days** | **90-180 days** | **Over 180 days** |
| Gross carrying amount - Trade receivables | 1,122.8 | 986.7 | 58.5 | 26.4 | 11.6 | 39.7 |
| Provision for risks | -57.9 | -21.2 | -3.7 | -2.7 | -2.7 | -27.6 |
| Net carrying amount - Trade receivables | 1,064.9 | 965.5 | 54.8 | 23.7 | 8.9 | 12.1 |
| Expected loss rate | | 2.1% | 6.3% | 10.2% | 23.6% | 69.6% |

With respect to the net carrying amounts of trade receivables, PUMA assumes that the debtors will satisfy their payment obligations or that, in the event of a default, the net carrying amount will be covered by existing credit insurance. There are no significant risk concentrations as the customer base is very broad and there are no correlations.

## 6. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets are broken down as follows:

### ↗ T.16 OTHER CURRENT FINANCIAL ASSETS (in € million)

| | **2023** | **2022** |
|---|---|---|
| Fair value of derivative financial instruments | 34.5 | 115.9 |
| Lease receivables | 14.9 | 0.0 |
| Other financial assets | 45.6 | 21.6 |
| **Total** | **94.9** | **137.4** |

The amount shown is due within one year. The fair value corresponds to the carrying amount.

## 7. OTHER CURRENT ASSETS

Other current assets are broken down as follows:

**↗ T.17 OTHER CURRENT ASSETS** (in € million)

| | 2023 | 2022 |
|---|---|---|
| Prepaid expense relating to the subsequent period | 98.3 | 86.2 |
| Other receivables | 172.1 | 149.8 |
| **Total** | **270.4** | **235.9** |

The amount shown is due within one year. The fair value corresponds to the carrying amount.

Other receivables mainly comprise receivables relating to VAT of € 98.9 million (previous year: € 97.9 million) and other taxes of € 25.6 million (previous year: € 30.3 million).

## 8. DEFERRED TAXES

Deferred taxes relate to the items shown below:

**↗ T.18 DEFERRED TAXES**[1] (in € million)

| | 2023 | 2022 |
|---|---|---|
| Tax loss carryforwards | 76.9 | 57.5 |
| Inventories | 74.5 | 90.8 |
| Remaining current assets | 13.5 | 13.5 |
| Non-current assets | 56.3 | 37.6 |
| Lease liabilities (current and non-current) | 290.8 | 289.6 |
| Provisions and other liabilities | 118.1 | 142.6 |
| **Deferred tax assets (before netting)** | **630.1** | **631.6** |
| Current assets | 17.4 | 37.6 |
| Intangible assets | 42.1 | 44.1 |
| Right-of-use assets | 258.2 | 260.5 |
| Remaining non-current assets | 24.6 | 32.4 |
| Provisions and other liabilities | 4.1 | 4.0 |
| **Deferred tax liabilities (before netting)** | **346.4** | **378.5** |
| **Deferred tax assets, net** | **283.7** | **253.1** |

[1] In order to better provide decision-relevant information, the data – including the previous year's figures – has been adjusted.

As of 31 December 2023, tax losses carried forward amounted to a total of € 447.9 million (previous year: € 360.7 million). Deferred tax assets were recognised for these items in the amount at which the associated tax advantages are likely to be realised in the form of future profits for income tax purposes. In financial year 2023, no deferred tax items were recognised for the losses carried forward in the amount of

€ 102.9 million (previous year: € 93.5 million), of which € 94.5 million (previous year: € 88.2 million) are vested. The remaining tax losses carried forward, for which no deferred tax items were recognised, in the amount of € 8.3 million (previous year: € 5.3 million) will expire within the next six years[1].

In addition, no deferred tax items were recognised for temporary differences in the amount of € 27.0 million (previous year: € 22.6 million) because they were not expected to be realised as of the balance sheet date.

For Group companies that achieved a negative tax result in this or the previous financial year, a total of deferred tax assets in the amount of € 157.1 million were recognised after deduction of any deferred tax liabilities (previous year: € 70.0 million) as sufficiently positive tax results can be expected in the future on the basis of the relevant projections.

No deferred taxes on retained profits at subsidiaries were recognised where these gains are to be reinvested on an ongoing basis and there is no intention to make a distribution in this respect.

Deferred tax assets and liabilities are netted if they relate to a taxable entity and can in fact be netted. Accordingly, they are shown in the balance sheet as follows:

### ↗ T.19 DEFERRED TAX ASSETS AND LIABILITIES (in € million)

| | 2023 | 2022 |
|---|---|---|
| Deferred tax assets | 296.1 | 295.0 |
| Deferred tax liabilities | 12.4 | 42.0 |
| **Deferred tax assets, net** | **283.7** | **253.1** |

The changes in deferred tax assets (net) were as follows:

### ↗ T.20 MOVEMENT OF DEFERRED TAXES (in € million)

| | 2023 | 2022 |
|---|---|---|
| Deferred tax assets, net as of 1 January | 253.1 | 231.1 |
| Recognition in the income statement | 22.8 | 25.1 |
| Adjustment related to remeasurements of the net defined benefit liability, recognised in other comprehensive income | 0.2 | -2.5 |
| Adjustment related to the market value of hedging contracts, recognised in other comprehensive income | 10.1 | -0.7 |
| Currency exchange effects | -2.5 | 0.0 |
| **Deferred tax assets, net as of 31 December** | **283.7** | **253.1** |

[1] In order to better provide decision-relevant information, the data – including the previous year's figures – has been adjusted.

## 9. PROPERTY, PLANT AND EQUIPMENT

The development of property, plant and equipment is shown in the following tables:

### ↗ T.21 MOVEMENTS PROPERTY, PLANT & EQUIPMENT 2023 (in € million)

| | Real Estate | Technical equipment and machines | Other equipment, factory and office equipment | Payments on account and assets under construction | Total |
|---|---|---|---|---|---|
| **Purchase costs as of 1 January 2023** | **175.2** | **170.8** | **706.2** | **75.1** | **1,127.3** |
| Additions | 23.9 | 16.6 | 118.4 | 66.5 | 225.4 |
| Disposals | -4.8 | -0.4 | -41.0 | -2.8 | -49.0 |
| Transfers | 0.1 | 39.7 | 2.2 | -42.3 | -0.4 |
| Currency changes | -5.0 | -4.1 | -32.6 | -1.8 | -43.4 |
| **As of 31 December 2023** | **189.5** | **222.5** | **753.2** | **94.8** | **1,260.0** |
| **Accumulated depreciation as of 1 January 2023** | **-54.5** | **-37.3** | **-443.2** | **-0.1** | **-535.2** |
| Depreciation | -6.2 | -15.0 | -84.4 | 0.0 | -105.7 |
| Disposals | 3.5 | 0.4 | 38.6 | 0.0 | 42.5 |
| Transfers | 0.0 | -0.3 | -0.0 | 0.0 | -0.3 |
| Currency changes | 1.2 | 2.5 | 20.3 | 0.1 | 24.2 |
| **As of 31 December 2023** | **-56.0** | **-49.7** | **-468.7** | **0.0** | **-574.4** |
| **Net carrying amount as of 31 December 2023** | **133.5** | **172.8** | **284.6** | **94.8** | **685.6** |

## ↗ T.22 MOVEMENTS PROPERTY, PLANT & EQUIPMENT 2022 (in € million)

| | Real Estate | Technical equipment and machines | Other equipment, factory and office equipment | Payments on account and assets under construction | Total |
|---|---|---|---|---|---|
| **Purchase costs as of 1 January 2022** | **168.6** | **145.2** | **574.1** | **42.1** | **930.0** |
| Additions | 0.9 | 6.8 | 112.7 | 79.5 | 199.9 |
| Disposals | -0.2 | -0.5 | -45.0 | -2.4 | -48.1 |
| Transfers | -4.2 | 12.8 | 44.9 | -44.8 | 8.5 |
| Currency changes | 10.1 | 6.5 | 19.6 | 0.8 | 37.0 |
| **As of 31 December 2022** | **175.2** | **170.8** | **706.2** | **75.1** | **1,127.3** |
| **Accumulated depreciation as of 1 January 2022** | **-47.0** | **-19.5** | **-391.1** | **0.0** | **-457.6** |
| Depreciation | -6.0 | -9.0 | -78.7 | 0.0 | -93.7 |
| Disposals | 0.1 | 0.4 | 43.6 | 0.0 | 44.2 |
| Transfers | 0.1 | -4.1 | -0.0 | -0.1 | -4.2 |
| Impairment | 0.0 | 0.0 | -0.6 | 0.0 | -0.6 |
| Currency changes | -1.7 | -5.2 | -16.4 | 0.0 | -23.2 |
| **As of 31 December 2022** | **-54.5** | **-37.3** | **-443.2** | **-0.1** | **-535.2** |
| **Net carrying amount as of 31 December 2022** | **120.7** | **133.5** | **263.1** | **75.0** | **592.2** |

Investment properties are included under real estate within property, plant and equipment with a carrying amount of € 21.1 million (previous year: € 0.0 million) as of 31 December 2023. The fair value of investment properties as of 31 December 2023 is € 23.3 million (previous year: € 0.0 million). This was determined by external, independent experts who have relevant professional qualifications and current experience with the location and type of properties to be valued. The fair value was determined on the basis of the market-comparative approach, which reflects the most recent transaction prices for similar properties.

The rental income generated by the Group from investment properties amounted to € 0.6 million in the financial year (previous year: € 0.0 million). Direct operating expenses for investment properties, which generated rental income in the financial year, amounted to € 0.0 million (previous year: € 0.0 million).

## 10. LEASES

### PUMA AS LESSEE

The Group rents and leases offices, warehouses, facilities, technical equipment and machinery, motor vehicles and sales rooms for its own retail business. As a rule, the lease agreements have a term of between one and fifteen years. Some agreements include renewal options and price adjustment clauses.

The carrying amounts for right-of-use assets recognised in the balance sheet relate to the following asset classes:

**T.23 RIGHT-OF-USE ASSETS 2023** (in € million)

| | Real Estate – Retail stores | Real Estate – Warehouses & offices | Others (technical equipment and machines and vehicles) | Total |
|---|---|---|---|---|
| Depreciation | 107.1 | 89.7 | 12.2 | 209.0 |
| Additions | 174.1 | 71.9 | 14.3 | 260.3 |
| **Net carrying amount as of 31 December 2023** | **464.2** | **557.7** | **65.7** | **1,087.7** |

**T.24 RIGHT-OF-USE ASSETS 2022** (in € million)

| | Real Estate – Retail stores | Real Estate – Warehouses & offices | Others (technical equipment and machines and vehicles) | Total |
|---|---|---|---|---|
| Depreciation | 110.1 | 82.1 | 10.6 | 202.8 |
| Additions | 187.1 | 188.8 | 29.5 | 405.4 |
| **Net carrying amount as of 31 December 2022** | **430.9** | **613.1** | **67.3** | **1,111.3** |

The following lease liabilities result:

**T.25 LEASE LIABILITIES** (in € million)

| | 2023 | 2022 |
|---|---|---|
| Current lease liabilities | 212.4 | 200.2 |
| Non-current lease liabilities | 1,020.0 | 1,030.3 |
| **Total** | **1,232.4** | **1,230.4** |

The amounts recognised in the income statement are as follows:

## ↗ T.26 RECOGNISED IN INCOME STATEMENT (in € million)

| | 2023 | 2022 |
|---|---|---|
| Depreciation of right-of-use assets incl. impairment losses and reversal of impairment losses (included in operating expenses) | 202.8 | 228.1 |
| Interest expense (included in financial expenses) | 46.8 | 38.6 |
| Expenses short-term leases (included in operating expenses) | 11.3 | 10.1 |
| Expenses leases of low-value assets (included in operating expenses) | 1.2 | 1.0 |
| Expenses variable lease payments (included in operating expenses) | 35.4 | 29.7 |
| **Total** | **297.5** | **307.6** |

Variable lease payments are incurred in connection with the Group's own retail stores. These are based on the sales amount and are therefore dependent on the overall economic development.

Total cash outflows from lease liabilities in 2023 amounted to € 254.8 million (previous year: € 228.7 million).

Due to reduced earnings prospects based on updated financial planning and estimates as well as retail store closures, impairment expenses in the total amount of € 5.7 million were recorded for the right of use of assets in connection with PUMA's own retail stores in financial year 2023 (previous year: € 25.4 million). To determine the impairment, the recoverable amount was calculated for the individual retail stores. This amounted to € 65.3 million for impaired retail stores (previous year: € 111.4 million). In the financial year, impairment reversals in the amount of € 11.9 million (previous year: € 0.0 million) were recorded for retail stores. There were no impairment losses or impairment reversals in the other categories of right-of-use assets.

In 2023, PUMA entered into lease agreements that had not yet commenced by year-end. As a result, no lease liabilities and corresponding right-of-use assets had been recognised as of 31 December 2023. Future lease payments in connection with these agreements amount to € 2.0 million (previous year: € 2.6 million) for the next year, € 28.2 million for years two to five (previous year: € 13.7 million) and € 48.5 million for the subsequent period (previous year: € 8.7 million). The lease terms for these are up to 15 years.

The maturity analysis of lease liabilities is as follows:

### ↗ T.27 MATURITY ANALYSIS OF LEASE LIABILITIES (in € million)

| | 2023 | 2022 |
|---|---|---|
| Due within one year | 255.8 | 234.0 |
| Due between one and five years | 679.6 | 665.3 |
| Due after five years | 510.4 | 541.2 |
| **Total (undiscounted)** | **1,445.8** | **1,440.6** |
| Interest expense (not yet realised) | -213.4 | -210.2 |
| **Total** | **1,232.4** | **1,230.4** |

### PUMA AS LESSOR

PUMA rents out properties owned and leased as a lessor. From the lessor's point of view, these (sub)leases are classified as operating or finance leases. In the previous year, PUMA did not rent out any properties.

The net investments from finance leases are shown as receivables in the balance sheet and are reduced by the repayment portion included in the lease payment. The interest portion included in the lease payment is reported as interest income in the financial result.

The maturities of the existing receivables on lease payments against third parties classified as finance leases are as follows:

### ↗ T.28 MATURITY ANALYSIS OF LEASE RECEIVABLES (in € million)

| | 2023 |
|---|---|
| Due within one year | 16.8 |
| Due between one and five years | 24.8 |
| Due after five years | 4.5 |
| **Total (undiscounted)** | **46.1** |
| Interest income (not yet realised) | -5.4 |
| Provision for risks | -0.5 |
| **Total** | **40.2** |

The following income was recognised in the income statement in connection with leases:

### T.29 RECOGNISED IN INCOME STATEMENT (in € million)

| | 2023 |
|---|---|
| **Operating leases** | |
| Fixed rental income | 1.0 |
| **Finance leases** | |
| Variable rental income | 0.4 |
| **Total rental income (included in other operating income)** | **1.4** |
| Selling profit (included in other operating income) | 8.0 |
| Interest income (included in financial income) | 1.2 |

Future lease payments from operating leases for the coming year amount to € 1.6 million (previous year: € 0.0 million) and to € 5.1 million for years two to five (previous year: € 0.0 million).

## 11. INTANGIBLE ASSETS

Intangible Assets mainly include goodwill, intangible assets with indefinite useful lives (e.g. brands), assets associated with the Company's own retail activities and software licenses.

The development of intangible assets is shown in the following table:

### ↗ T.30 MOVEMENTS INTANGIBLE ASSETS 2023 (in € million)

| | Goodwill | Intangible assets with an indefinite useful life | Other intangible assets | Total |
|---|---|---|---|---|
| **Purchase costs as of 1 January 2023** | **289.3** | **151.0** | **341.0** | **781.2** |
| Additions | 0.0 | 0.0 | 74.2 | 74.2 |
| Disposals | 0.0 | 0.0 | -16.8 | -16.8 |
| Transfers | 0.0 | 0.0 | 0.6 | 0.6 |
| Currency changes | -4.0 | -4.6 | -1.5 | -10.1 |
| **As of 31 December 2023** | **285.3** | **146.3** | **397.5** | **829.1** |
| **Accumulated depreciation as of 1 January 2023** | **-46.6** | **-17.6** | **-210.5** | **-274.7** |
| Depreciation | 0.0 | 0.0 | -37.0 | -37.0 |
| Disposals | 0.0 | 0.0 | 11.9 | 11.9 |
| Transfers | 0.0 | 0.0 | -0.1 | -0.1 |
| Currency changes | 0.4 | 0.0 | 1.3 | 1.6 |
| **As of 31 December 2023** | **-46.3** | **-17.6** | **-234.5** | **-298.2** |
| **Net carrying amount as of 31 December 2023** | **239.0** | **128.7** | **163.0** | **530.8** |

## ↗ T.31 MOVEMENTS INTANGIBLE ASSETS 2022 (in € million)

| | Goodwill | Intangible assets with an indefinite useful life | Other intangible assets | Total |
|---|---|---|---|---|
| **Purchase costs as of 1 January 2022** | **291.5** | **143.2** | **276.6** | **711.4** |
| Additions | 0.0 | 0.0 | 64.0 | 64.0 |
| Disposals | 0.0 | 0.0 | -2.4 | -2.4 |
| Transfers | 0.0 | 0.0 | 1.3 | 1.3 |
| Currency changes | -2.2 | 7.8 | 1.4 | 6.9 |
| **As of 31 December 2022** | **289.3** | **151.0** | **341.0** | **781.2** |
| **Accumulated depreciation as of 1 January 2022** | **-46.8** | **-17.6** | **-175.1** | **-239.5** |
| Depreciation | 0.0 | 0.0 | -36.3 | -36.3 |
| Disposals | 0.0 | 0.0 | 2.2 | 2.2 |
| Transfers | 0.0 | 0.0 | -0.2 | -0.2 |
| Currency changes | 0.2 | 0.0 | -1.1 | -1.0 |
| **As of 31 December 2022** | **-46.6** | **-17.6** | **-210.5** | **-274.7** |
| **Net carrying amount as of 31 December 2022** | **242.7** | **133.4** | **130.4** | **506.5** |

The item Other intangible assets includes advance payments in the amount of € 21.6 million (previous year: € 5.6 million).

The current amortisation of intangible assets in the amount of € 37.0 million (previous year: € 36.3 million) is included in the other operating expenses. Of this, € 11.5 million relate to sales and distribution expenses (previous year: € 7.7 million), € 0.1 million to expenses for product management/merchandising (previous year: € 0.1 million), € 0.0 to development expenses (previous year: € 1.9 million), and € 25.3 million to administrative and general expenses (previous year: € 26.5 million).

### INFORMATION ON PLANNING ASSUMPTIONS FOR IMPAIRMENT TESTS

Goodwill and intangible assets with indefinite useful lives are not amortised according to schedule. Impairment tests with regard to goodwill were performed in the past financial year using the discounted cash flow method. The data from the three-year plan for the respective cash-generating unit or group of cash-generating units was used as a basis for this. Planning on the level of the cash-generating units was thereby derived from the PUMA Group's three-year plan. The following key assumptions have been made for the PUMA Group plans:

Based on the basic assumptions regarding overall economic development, planning at Group level assumes that geopolitical tensions will not increase any further. Under these conditions, we expect our business to continue to grow profitably.

Planned sales growth is based on the good future growth prospects in the sporting goods industry and on market share gains by PUMA. This is to be achieved, in particular, via the continued consistent implementation of the Forever Faster corporate strategy and the increase in PUMA's brand heat.

The improvement in EBIT margin in the planning period is the result of a slight increase in gross profit margin due to, for example, a higher share of own retail sales as a result of above-average growth of the e-commerce distribution channel. Furthermore, the slightly weaker percentage increase of other operating income and expenses compared to sales growth is also expected to contribute to the improvement of the EBIT margin; for example, the operating requirements for planned sales growth over the coming years have essentially been met, meaning that economies of scale can be realised.

The planning of investments and working capital is based on historical experience and is carried out in accordance with strategic objectives.

The future tax payments are based on current tax rates in the respective country.

For periods beyond the three-year plan, an annual growth rate is determined and used to forecast future cash flows beyond the three-year period. The assumed growth rate is based on long-term expectations of inflation rates and does not exceed the long-term average growth rates for the business area in which the respective cash-generating unit, or group of cash-generating units, operates.

The recoverable amount for the respective cash-generating unit or group of cash-generating units was determined on the basis of the value-in-use. This did not result in impairment losses for any cash-generating units.

**INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE**

In connection with the Golf business unit (CPG – Cobra PUMA Golf), the Cobra brand exists as an intangible asset with an indefinite useful life amounting to € 128.7 million (previous year: € 133.4 million). The carrying amount of the Cobra brand is significant in comparison to the overall carrying amount of the intangible assets with an indefinite useful life. It was assigned to the North America business segment, where the headquarters of Cobra PUMA Golf is located. The recoverable amount of the Cobra brand was determined using the relief from royalty-method (level 3 – see explanation in chapter 14). A discount rate of 10.6% p.a. (previous year: 9.4% p.a.), a royalty rate of 6.0% (previous year: 8.0%) and a sustainable 2.0% growth rate (previous year: 2.0%) was used. Cobra or CPG's three-year plan shows average revenue growth in the high single-digit percentage range. The Management's key assumptions about improvement in the EBIT margin in Cobra's or CPG's three-year plan are essentially in line with the fundamental assumptions in the plans at Group level.

A reduction of the royalty rate to approximately 5.4% or a reduction of the average planned sales revenues by approx. 10.3% would not result in any impairment requirement for the Cobra brand, and the recoverable amount would correspond to the carrying amount.

If there is evidence that the underlying Cobra business is insufficiently profitable, the trademark is not only valued individually using the relief from royalty-method, but the recoverable amount of the cash-generating units to which the trademark is attributable is determined. In 2023, there were no indications of an impairment.

## GOODWILL

Goodwill is allocated to the Group's identifiable groups of cash-generating units (CGUs) according to the countries where the activities are carried out. Summarised by regions, goodwill is allocated as follows:

### ↗ T.32 COMPOSITION OF GOODWILL (in € million)

| | 2023 | 2022 |
|---|---|---|
| PUMA UK | 1.6 | 1.6 |
| Genesis | 7.0 | 6.9 |
| Subtotal Europe | 8.7 | 8.5 |
| PUMA Canada | 9.7 | 9.9 |
| PUMA United NA | 2.0 | 2.1 |
| Subtotal North America | 11.7 | 11.9 |
| PUMA Argentina | 15.8 | 16.4 |
| PUMA Chile | 0.5 | 0.5 |
| PUMA Mexico | 12.2 | 10.9 |
| Subtotal Latin America | 28.5 | 27.8 |
| PUMA China | 2.5 | 2.5 |
| PUMA Taiwan | 13.3 | 13.7 |
| Subtotal Greater China | 15.8 | 16.2 |
| PUMA Japan | 35.0 | 38.9 |
| Subtotal Asia/Pacific (excluding Greater China) | 35.0 | 38.9 |
| stichd | 139.4 | 139.4 |
| **Total** | **239.0** | **242.7** |

Assumptions used in conducting the impairment tests in 2023:

### ↗ T.33 ASSUMPTIONS IMPAIRMENT TEST 2023

| | Tax rate (range) | WACC before tax (range) | WACC after tax (range) |
|---|---|---|---|
| Europe | 19.0% | 13.3% | 11.1% |
| North America * | 26.2% | 12.7% | 10.3% |
| Latin America | 27.0%-35.0% | 16.5%-64.1% | 12.1%-51.7% |
| Greater China | 20.0%-25.0% | 12.9%-14.0% | 10.5%-11.2% |
| Asia/Pacific (excluding Greater China) * | 38.1% | 16.4% | 10.5% |
| stichd * | 25.0% | 13.1% | 10.2% |

* The information for North America, Asia/Pacific (excluding Greater China) and stichd relates in each case to only one cash-generating unit (CGU)

The tax rates used for the impairment test correspond to the actual tax rates in the respective countries. The weighted average cost of capital (WACC) was derived on the basis of the weighted average cost of total capital, taking into account a standard market capital structure (ratio of debt to equity) and including the most important listed competitors (peer group).

In addition, a growth rate of 2.0% (previous year: 2.0%) is generally assumed. A growth rate of less than 2.0% (previous year: less than 2.0%) was applied only in justified exceptional cases, where the long-term expectations on inflation rate for the country in which the cash-generating unit operates were lower than the assumed growth rate; this applies, in particular, to the UK, Japan and Taiwan.

The cash-generating unit stichd includes goodwill of €139.4 million (previous year: €139.4 million), which is significant in comparison to the overall carrying amount of goodwill. The recoverable amount was determined by a value-in-use calculation with a discount rate of 10.2% p.a. (previous year: 9.4% p.a.) and a growth rate of 2.0% (previous year: 2.0%). Stichd's three-year plan shows sales growth in the low double-digit percentage range. In the three-year plan for stichd, a lower improvement in the EBIT margin is expected compared to the Group, as the EBIT margin of stichd is already higher than for the Group as a whole.

The cash-generating unit PUMA Japan includes goodwill of €35.0 million (previous year: €38.9 million), which is significant in comparison to the overall carrying amount of goodwill. The recoverable amount was determined by a value-in-use calculation with a discount rate of 10.5% p.a. (previous year: 9.4% p.a.) and a growth rate of 1.2% (previous year: 1.0%). PUMA Japan's three-year plan shows sales growth in the high single-digit percentage range. PUMA Japan's three-year plan shows that the company expects a strong improvement in the EBIT margin and a return to the historical profitability level of PUMA Japan.

The following table contains the assumptions for the performance of the impairment test in the previous year:

### T.34 ASSUMPTIONS IMPAIRMENT TEST 2022

| | Tax rate (range) | WACC before tax (range) | WACC after tax (range) |
|---|---|---|---|
| Europe | 19.0% | 12.3%-12.4% | 10.4% |
| North America * | 26.2% | 11.8% | 9.1% |
| Latin America | 27.0%-34.9% | 14.8%-65.4% | 11.2%-58.3% |
| Greater China | 20.0%-25.0% | 12.1%-13.5% | 10.0%-10.6% |
| Asia/Pacific (excluding Greater China) * | 38.1% | 14.3% | 9.4% |
| stichd * | 25.0% | 12.0% | 9.4% |

* The information for North America, Asia/Pacific (excluding Greater China) and stichd relates in each case to only one cash-generating unit (CGU)

## 12. OTHER NON-CURRENT ASSETS

Other non-current financial and non-financial assets consist of:

**↗ T.35 OTHER NON-CURRENT ASSETS** (in € million)

| | 2023 | 2022 |
|---|---|---|
| Investments | 21.2 | 21.7 |
| Fair value of derivative financial instruments | 1.4 | 2.5 |
| Lease receivables | 25.3 | 0.0 |
| Other financial assets | 35.7 | 34.2 |
| **Total of other non-current financial assets** | **83.6** | **58.4** |
| Other non-current non-financial assets | 25.6 | 8.8 |
| **Other non-current assets, total** | **109.1** | **67.2** |

The investments relate to the 5.32% shareholding in Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien (BVB) with registered office in Dortmund, Germany. According to the audited IFRS consolidated financial statements 2022/2023 of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, equity as of 30 June 2023 amounted to € 282.7 million and the result of the last financial year was € 9.6 million.

Other financial assets mainly include rental deposits in the amount of € 31.9 million (previous year: € 29.8 million). The other non-current non-financial assets mainly include accruals and deferrals in connection with promotional and advertising agreements.

## 13. LIABILITIES

The residual terms of liabilities are as follows:

### ↗ T.36 LIABILITIES (in € million)

| | 2023 | | | | 2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | | Residual term of | | | | Residual term of | | |
| | Total | up to 1 year | 1 to 5 years | over 5 years | Total | up to 1 year | 1 to 5 years | over 5 years |
| **Borrowings** | **572.0** | **145.9** | **426.1** | **0.0** | **327.4** | **75.9** | **251.5** | **0.0** |
| **Trade payables** | **1,499.8** | **1,499.8** | **0.0** | **0.0** | **1,734.9** | **1,734.9** | **0.0** | **0.0** |
| **Other liabilities*** | | | 0.0 | | | | | |
| Liabilities from other taxes | 110.0 | 110.0 | 0.0 | 0.0 | 82.6 | 82.6 | 0.0 | 0.0 |
| Liabilities relating to social security | 10.6 | 10.6 | 0.0 | 0.0 | 10.0 | 10.0 | 0.0 | 0.0 |
| Payables to employees | 123.6 | 123.6 | 0.0 | 0.0 | 137.2 | 137.2 | 0.0 | 0.0 |
| Liabilities from refund obligations | 236.9 | 236.9 | 0.0 | 0.0 | 373.9 | 373.9 | 0.0 | 0.0 |
| Liabilities from derivative financial instruments | 58.2 | 47.7 | 10.5 | 0.0 | 52.4 | 39.5 | 12.9 | 0.0 |
| Remaining other liabilities | 45.4 | 43.2 | 2.0 | 0.2 | 54.0 | 51.6 | 2.0 | 0.3 |
| **Total** | **2,656.5** | **2,217.7** | **438.5** | **0.2** | **2,772.5** | **2,505.8** | **266.3** | **0.3** |

* The maturity analysis on lease liabilities is presented in chapter 10.

The liabilities from refund obligations result from contracts with customers and essentially comprise obligations from customer return rights.

## 14. FINANCIAL INSTRUMENTS

### CARRYING AMOUNTS OF FINANCIAL INSTRUMENTS AND ALLOCATION TO VALUATION CATEGORIES

**↗ T.37 CARRYING AMOUNTS OF FINANCIAL INSTRUMENTS AND THEIR FAIR VALUE** (in € million)

| | Measurement categories under IFRS 9 | Carrying amount | Fair value | Level 1 | Level 2 | Level 3 | Carrying amount | Fair value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2023 | 2023 | | | | 2022 | 2022 | | | |
| **Assets** | | | | | | | | | | | |
| Cash and cash equivalents | [1]AC | 552.9 | | | | | 463.1 | | | | |
| Trade receivables | AC | 1,118.4 | | | | | 1,064.9 | | | | |
| Other current financial assets | | | | | | | | | | | |
| Derivatives - hedge accounting | n/a | 22.8 | 22.8 | | 22.8 | | 56.1 | 56.1 | | 56.1 | |
| Derivatives - no hedge accounting | [2]FVPL | 11.6 | 11.6 | | 11.6 | | 59.8 | 59.8 | | 59.8 | |
| Lease receivables | n/a | 14.9 | | | | | 0.0 | | | | |
| Remaining current financial assets | AC | 45.6 | | | | | 21.6 | | | | |
| Other non-current financial assets | | | | | | | | | | | |
| Derivatives - hedge accounting | n/a | 1.4 | 1.4 | | 1.4 | | 2.5 | 2.5 | | 2.5 | |
| Investments | [3]FVOCI | 21.2 | 21.2 | 21.2 | | | 21.7 | 21.7 | 21.7 | | |
| Lease receivables | n/a | 25.3 | | | | | 0.0 | | | | |
| Remaining non-current financial assets | AC | 35.7 | | | | | 34.2 | | | | |
| **Liabilities** | | | | | | | | | | | |
| Current borrowings | | | | | | | | | | | |
| Bank liabilities | AC | 15.2 | | | | | 15.9 | | | | |
| Promissory note loans | AC | 130.8 | 124.9 | | 124.9 | | 60.0 | 59.3 | | 59.3 | |

| | Measurement categories under IFRS 9 | Carrying amount | Fair value | Level 1 | Level 2 | Level 3 | Carrying amount | Fair value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2023 | 2023 | | | | 2022 | 2022 | | | |
| Trade payables | AC | 1,499.8 | | | | | 1,734.9 | | | | |
| Current lease liabilities | n/a | 212.4 | | | | | 200.2 | | | | |
| Other current financial liabilities | | | | | | | | | | | |
| Derivatives - hedge accounting | n/a | 22.6 | 22.6 | | 22.6 | | 23.6 | 23.6 | | 23.6 | |
| Derivatives - no hedge accounting | [2]FVPL | 25.1 | 25.1 | | 25.1 | | 15.9 | 15.9 | | 15.9 | |
| Remaining current financial liabilities | AC | 30.9 | | | | | 36.5 | | | | |
| Non-current borrowings (promissory note loans) | AC | 426.1 | 427.4 | | 427.4 | | 251.5 | 239.5 | | 239.5 | |
| Non-current lease liabilities | n/a | 1,020.0 | | | | | 1,030.3 | | | | |
| Other non-current financial liabilities | | | | | | | | | | | |
| Derivatives - hedge accounting | n/a | 10.5 | 10.5 | | 10.5 | | 12.9 | 12.9 | | 12.9 | |
| Remaining non-current financial liabilities | AC | 0.9 | | | | | 1.0 | | | | |
| **Total financial assets at amortised cost** | | **1,752.6** | | | | | **1,583.8** | | | | |
| **Total financial liabilities at amortised cost** | | **2,103.6** | | | | | **2,099.8** | | | | |
| **Total financial assets at fair value through profit or loss** | | **11.6** | | | | | **59.8** | | | | |
| **Total financial liabilities at fair value through profit or loss** | | **25.1** | | | | | **15.9** | | | | |
| **Total financial assets at FVOCI** | | **21.2** | | | | | **21.7** | | | | |

[1] AC = at amortised cost
[2] FVPL = fair value through PL
[3] FVOCI (fair value through OCI) = equity instruments at fair value through other comprehensive income

Financial instruments that are measured at fair value in the balance sheet were determined using the following hierarchy:

**Level 1:** Use of prices quoted on active markets for identical assets or liabilities.

**Level 2:** Use of input factors that do not involve the quoted prices stated under level 1, but can be observed for the asset or liability either directly (i.e. as the price) or indirectly (i.e. derived from the price).

**Level 3:** Use of factors for the valuation of the asset or liability that are based on non-observable market data.

Reclassification between different levels of the fair value hierarchy are recorded at the end of the reporting period in which the change occurred.

The fair value of the investments held for strategic reasons only refers to equity instruments of the category "fair value through OCI" (FVOCI) and is determined on the basis of level 1. The market values of the derivative assets and liabilities as well as the fair value of the promissory note loans were determined in accordance with level 2.

The following table shows the measurement techniques used for determining Level 2 fair values for financial instruments.

## ↗ T.38 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE - LEVEL 2

| Type | Measurement technique | Material, non-observable input factors | Connection between material, non-observable input factors and fair value measurement |
|---|---|---|---|
| Currency forward transactions | The fair values are determined on the basis of current market parameters, i.e., reference prices observable on the market, taking into account forward premiums and discounts. The discounted result of the comparison of the forward price on the reporting date with the forward price of the valuation date is included in the measurement. The fair values are also checked for the counterparty's non-performance risk. In doing this, PUMA calculates credit value adjustments (CVA) or debt value adjustments (DVA) on the basis of an up/down method, taking current market information into account, in particular the creditworthiness of the company's business partners. No material deviations were found, so that no adjustments were made to the fair value determined. | Not applicable | Not applicable |
| Currency options | The valuation is based on Garman Kohlhagen model, an extended version of the Black Scholes model. | Not applicable | Not applicable |
| Promissory note loans | The valuation takes into account the cash value of expected payments, discounted using a risk-adjusted discount rate. | Not applicable | Not applicable |
| Interest options | The valuation is based on the Black Scholes model. | Not applicable | Not applicable |

Of the fair value of the derivatives with a hedge relationship with positive market values of € 24.2 million (previous year: € 58.6 million), € 24.5 million (previous year: € 65.9 million) related to the valuation of the spot component. Of the fair value of the derivatives with a hedge relationship with negative market values of € 33.1 million (previous year: € 36.5 million), € 40.7 million (previous year: € 46.9 million) related to the valuation of the spot component.

Cash and cash equivalents, trade receivables and other receivables have short maturities. Accordingly, as of the reporting date, the carrying amount approximates fair value. Receivables are stated at nominal value, taking into account deductions for default risk.

The fair values of other financial assets correspond to their carrying amount, as the interest calculation occurs at the prevailing market interest rates on the balance sheet date. Other (current and non-current) financial assets include € 40.3 million (previous year: € 37.8 million) that were pledged as rental deposits at usual market rates.

Trade payables have short residual maturities; their carrying amounts therefore approximate fair value.

The remaining financial liabilities have short residual maturities; the recognised amounts therefore approximate fair value.

### NET RESULT BY VALUATION CATEGORIES

The following table shows the net result by valuation category:

**↗ T.39 NET GAINS/LOSSES FROM FINANCIAL INSTRUMENTS** (in € million)

| | 2023 | 2022 |
|---|---|---|
| Financial assets at amortised cost (AC) | 5.8 | 26.0 |
| Financial liabilities at amortised cost (AC) | -89.3 | -7.1 |
| Derivatives without hedging relationship measured at fair value through profit or loss (FVPL) | 7.7 | -47.6 |
| Financial assets measured at fair value through other comprehensive income (FVOCI) | -0.5 | -3.4 |

The net result was determined by taking into account interest income and expense, currency exchange effects, changes in provisions for risks as well as gains and losses from disposal. It also includes effects from the fair value measurement of derivatives without a hedging relationship.

The net result includes interest income of € 36.6 million (previous year: € 31.8 million) and interest expenses of € 47.7 million (previous year: € 15.2 million) according to the effective interest method.

General administrative expenses include changes in risk provisions for receivables.

### DISCLOSURES RELATING TO FINANCIAL RISKS

The PUMA Group is exposed to the following risks from the use of financial instruments:

- Default risk
- Liquidity risk
- Market risk

These risks and the principles of risk management are explained below.

### PRINCIPLES OF RISK MANAGEMENT

The Management Board of PUMA SE is responsible for developing and monitoring risk management in the PUMA Group. To this end, the Management Board has set up a Risk Management Committee that is responsible for designing, reviewing and adapting the risk management system. The Risk Management Committee regularly reports to the Management Board on its work.

The guidelines for the risk management system define the responsibilities, tasks and processes of the risk management system. The guidelines for the risk management system and the risk management system itself are reviewed regularly in order to be able to pick up on any changes in market conditions and PUMA's activities and incorporate them accordingly.

The Audit Committee, on the one hand, monitors the Management Board's compliance with the guidelines and the Group risk management processes. On the other hand, the Audit Committee monitors the effectiveness of the risk management system with regard to the risks to which the PUMA Group is exposed. The Internal Audit department supports the Audit Committee in its monitoring tasks. To this end, regular audits and ad hoc audits are also carried out by the Internal Audit department. Their results are reported directly to the Audit Committee.

**DEFAULT RISK**

Default risk is the risk of financial losses if a customer or party to a financial instrument fails to meet its contractual obligations. Default risk arises in principle from trade receivables and from other contractual financial obligations of the counterparty, such as bank deposits and derivative financial instruments.

Without taking into account any existing credit insurance policies or other guarantees received, the maximum default risk is equal to the carrying amount of the financial assets.

At the end of financial year 2023, there was no relevant concentration of default risk by customer type or region. Default risk is mainly influenced by individual customer characteristics. In accordance with our credit guidelines, new customers are checked for creditworthiness before we offer them our regular payment and delivery terms. In addition, we set specific receivables limits for each customer. In particular, the international credit insurance programme that PUMA has concluded for all major subsidiaries contributes to risk mitigation. The creditworthiness of our customers and the limits on receivables are monitored on an ongoing basis, which also includes requests for individual credit limits from credit insurance providers for all customers who have external accounts that exceed a certain value limit. The credit insurer's response to such credit limit requests always includes information on the creditworthiness. Customers with a credit rating that does not meet the minimum requirements set may, as a rule, only acquire products against advance payment.

Further activities to reduce default risk include retention of title clauses, and also in individual cases the selective sale of trade receivables (without recourse) and the obtaining of bank guarantees or parent company guarantees for our customers.

At the end of the financial year 2023, no individual customers accounted for more than 10% of trade receivables.

The central Treasury department has a comprehensive overview of the banks involved in currency hedging instruments and the management of cash and cash equivalents. Business with banks is focused on core banks with the appropriate credit rating (currently a minimum rating of BBB+ or better), while maximum risk amounts are specified for banks that have also been engaged in addition to this. The counterparty risks resulting from this are reviewed at least once every six months.

PUMA held derivative financial instruments with a positive market value of € 35.8 million in 2023 (previous year: € 118.3 million). The maximum default risk for an individual bank from such assets amounted to € 7.5 million (previous year: € 24.8 million).

In accordance with IFRS 7, the following table contains further information on the offsetting options for derivative financial assets and liabilities. Most agreements between financial institutions and PUMA include a mutual right to offsetting; the right to offsetting is only enforceable in the event of the default of a business partner. Therefore, the criteria for offsetting in the balance sheet are not met.

The carrying amounts of the derivative financial instruments affected by the aforementioned offsetting agreements are shown in the following table:

**↗ T.40 OFFSETTING POSSIBILITIES OF DERIVATIVE FINANCIAL INSTRUMENTS** (in € million)

| | 2023 | 2022 |
|---|---|---|
| **Assets** | | |
| Gross amounts of financial assets recognised in the balance sheet | 35.8 | 118.3 |
| Financial instruments that qualify for offsetting | 0.0 | 0.0 |
| **= Net book value of financial assets** | **35.8** | **118.3** |
| Offsettable on the basis of framework agreements | -34.5 | -50.6 |
| **Total net value of financial assets** | **1.3** | **67.7** |

| | 2023 | 2022 |
|---|---|---|
| **Liabilities** | | |
| Gross amounts of financial liabilities recognised in the balance sheet | 58.2 | 52.4 |
| Financial instruments that qualify for offsetting | 0.0 | 0.0 |
| **= Net book value of financial liabilities** | **58.2** | **52.4** |
| Offsettable on the basis of framework agreements | -34.5 | -50.6 |
| **Total net value of financial liabilities** | **23.7** | **1.8** |

## LIQUIDITY RISK

Liquidity risk is the risk that the Group may not be able to meet its financial liabilities by delivering cash or other financial assets in accordance with the agreement. The objective of the Group in managing liquidity is to ensure that, as far as possible, sufficient cash and cash equivalents are always available in order to meet the payment obligations upon maturity, under both normal and strained conditions.

PUMA aims to maintain the amount of cash, cash equivalents and fixed loan commitments at a level that covers the effects of an assumed worst-case scenario. This scenario is based on the events and financial impact of the COVID-19 crisis in Q2 2020, which must be covered accordingly.

PUMA has confirmed credit lines amounting to a total of € 1,552.8 million (previous year: € 1,271.0 million), of which € 986.1 million had not been used as at 31 December 2023 (previous year: € 943.7 million).

No financial liabilities were utilised from credit lines granted only until further notice.

The effective interest rate of the financial liabilities ranged from 0.0% to 1.3% (previous year: 0.0% to 0.9%).

The following table shows the future cash outflows from the financial liabilities existing as at the reporting date, as well as the contractual cash flows in connection with derivatives with a negative market value. These are non-discounted gross amounts including expected interest payments, but exclude presentation of the effects of offsetting:

### ↗ T.41 CONTRACTUAL CASH FLOWS FROM FINANCIAL LIABILITIES 2023 (in € million)

| | Total | 2024 | 2025 | 2026 et seq. |
|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | |
| Borrowings | 634.0 | 166.9 | 85.1 | 382.0 |
| Trade payables | 1,499.8 | 1,499.8 | | |
| Other liabilities | 31.8 | 30.9 | 0.5 | 0.4 |
| **Derivative financial liabilities** | **47.0** | **43.8** | **2.2** | **1.0** |
| Cash inflow derivative financial liabilities | -2,876.6 | -2,397.1 | -479.5 | |
| Cash outflow derivative financial liabilities | 2,923.6 | 2,440.8 | 481.8 | 1.0 |

The following values were determined for the previous year:

### ↗ T.42 CONTRACTUAL CASH FLOWS FROM FINANCIAL LIABILITIES 2022 (in € million)

| | Total | 2023 | 2024 | 2025 et seq. |
|---|---|---|---|---|
| **Non-derivative financial liabilities** | | | | |
| Borrowings | 332.7 | 78.3 | 126.6 | 127.8 |
| Trade payables | 1,734.9 | 1,734.9 | | |
| Other liabilities | 37.5 | 36.5 | 0.8 | 0.2 |
| **Derivative financial liabilities** | **34.5** | **34.2** | **0.3** | |
| Cash inflow derivative financial liabilities | -1,905.7 | -1,303.9 | -601.8 | |
| Cash outflow derivative financial liabilities | 1,940.2 | 1,338.1 | 602.1 | |

[1] The previous year's figures have been adjusted

#### MARKET RISK

Market risk is the risk that market prices, such as exchange rates, share prices or interest rates, may change, thereby affecting the income of the Group or the value of the financial instruments held.

The aim of market risk management is to manage and control market risk within acceptable margins while optimising returns.

To manage market risks, PUMA acquires and sells derivatives and also enters into financial liabilities. All transactions are carried out within the framework of the Group's risk management regulations.

### CURRENCY RISK

PUMA is exposed to transactional foreign currency risks such that the quoted currencies used for acquisition, disposal and credit transactions and for receivables do not match the functional currency of the Group companies.

In financial year 2023, PUMA designated currency hedges in Cashflow Hedge Accounting in order to hedge the amount payable of purchases denominated in USD, and converted to euros, as well as for other currency risks resulting from internal resale to PUMA subsidiaries.

Furthermore, currency swaps and forward exchange contracts are used to hedge foreign exchange risks when measuring intra-group loans denominated in foreign currencies.

The estimated foreign currency risks are initially subjected to a quantitative materiality test, while simultaneously taking hedging costs into account. Material risks are then hedged, in accordance with the Group directive, up to a hedging ratio of up to 95% of the estimated foreign currency risks from expected acquisition and disposal transactions over the next 12 to 15 months. Forward exchange contracts and currency options, usually with a term of around 12 months from the reporting date, are used to hedge the foreign currency risk. For significant risks that are subject to large hedging costs, high hedging ratios can only be achieved over shorter terms.

The summarised quantitative information about the Group's currency risk is as follows:

**↗ T.43 EXPOSURE TO FOREIGN CURRENCY RISK 2023** (in € million)

| **as of 31 December 2023** | **USD** | **MXN** | **JPY** |
|---|---|---|---|
| Risk from forecast transactions | -1,716.4 | 269.1 | 190.0 |
| Balance sheet risk | -628.3 | 78.8 | 13.4 |
| **Total gross risk** | **-2,344.7** | **347.9** | **203.4** |
| Hedged with currency options | 18.1 | 0.0 | -51.5 |
| Hedged with currency forward contracts | 1,933.1 | -211.1 | -110.3 |
| **Net risk** | **-393.5** | **136.7** | **41.6** |

**↗ T.44 EXPOSURE TO FOREIGN CURRENCY RISK 2022** (in € million)

| **as of 31 December 2022** | **USD** | **GBP** | **JPY** |
|---|---|---|---|
| Risk from forecast transactions | -1,665.5 | 104.5 | 205.2 |
| Balance sheet risk | -307.1 | 76.6 | 28.3 |
| **Total gross risk** | **-1,972.6** | **181.0** | **233.4** |
| Hedged with currency forward contracts | 1,833.9 | -171.9 | -181.6 |
| **Net risk** | **-138.7** | **9.1** | **51.9** |

Currency forward contracts and the risk from forecast transactions were calculated on a one-year basis.

The nominal amounts of open exchange rate-hedging transactions refer primarily to currency forward contracts in a total amount of € 3,745.0 million (previous year: € 3,792.6 million).

The market values of open exchange rate-hedging transactions on the balance sheet date consist of:

### ↗ T.45 MARKET VALUE OF EXCHANGE RATE HEDGING CONTRACTS (in € million)

| | 2023 | 2022 |
|---|---|---|
| Currency forward contracts | 35.5 | 118.3 |
| Currency options | 0.3 | 0.0 |
| **Currency hedging contracts, assets** | **35.8** | **118.3** |
| Currency forward contracts | 56.0 | 52.4 |
| Currency options | 1.2 | 0.0 |
| **Currency hedging contracts, liabilities** | **57.2** | **52.4** |
| **Net** | **-21.4** | **66.0** |

The net risk position and the average hedging rates are broken down as follows:

### ↗ T.46 AVERAGE HEDGING RATES

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Current | Non-current | Current | Non-current |
| Currency risk | | | | |
| **Net risk position (€ million)** | **1,076.5** | **504.2** | **1,167.5** | **508.2** |
| | | | | |
| **Currency forward contracts** | | | | |
| Average EUR/USD exchange rate | 1.108 | 1.110 | 1.092 | 1.069 |
| Average EUR/MXN exchange rate | 19.978 | - | 21.636 | - |
| Average EUR/JPY exchange rate | 138.560 | 148.736 | 133.205 | 137.338 |
| **Currency options** | | | | |
| Average EUR/USD exchange rate (Put/Call) | 1.050/1.144 | 1.039/1.131 | - | - |
| Average EUR/MXN exchange rate (Put/Call) | - | - | - | - |
| Average EUR/JPY exchange rate (Put/Call) | 140.198/157.850 | 143.733/161.366 | - | - |

**Currency sensitivity analysis**
In order to disclose market risks, IFRS 7 requires sensitivity analysis that show the effects of hypothetical changes in relevant risk variables on earnings and equity. The periodic effects are determined by relating the hypothetical changes caused by the risk variables to the balance of the financial instruments held as of the balance sheet date. The underlying assumption is that the balance as of the balance sheet date is representative for the entire year.

Currency risks as defined by IFRS 7 arise on account of financial instruments that are denominated in a currency which differs from the functional currency and are monetary in nature. Differences resulting from the conversion of the individual financial statements to the group currency are not taken into account. All non-functional currencies in which PUMA employs financial instruments are generally considered to be relevant risk variables.

The currency sensitivity analysis is based on the net balance sheet risk denominated in foreign currencies. This also includes intra-company monetary assets and liabilities. Outstanding currency derivatives are also reassessed as part of the sensitivity analysis.

The following table shows the increase or decrease of profit or loss or cash flow hedge reserve in equity in the event of a 10% appreciation or depreciation against the euro spot price. It is assumed that all other influencing factors, including interest rates and commodity prices, remain constant. The effects of the forecasted operating cash flows are also ignored.

**↗ T.47 SENSITIVITY ANALYSIS FOR FOREIGN EXCHANGE RATE CHANGES 2023** (in € million)

| as of 31 December 2023 | USD | MXN | JPY |
|---|---|---|---|
| **Nominal amounts of outstanding currency forward contracts** | 2,413.7 | -211.1 | -123.7 |
| | **EUR +10%** | **EUR +10%** | **EUR +10%** |
| Equity | -151.3 | 17.9 | -1.0 |
| Profit or loss | 2.0 | -0.6 | -0.1 |
| | **EUR -10%** | **EUR -10%** | **EUR -10%** |
| Equity | 218.9 | -11.0 | -23.7 |
| Profit or loss | -2.4 | 0.8 | 0.1 |

**↗ T.48 SENSITIVITY ANALYSIS FOR FOREIGN EXCHANGE RATE CHANGES 2022** (in € million)

| as of 31 December 2022 | USD | GBP | JPY |
|---|---|---|---|
| **Nominal amounts of outstanding currency forward contracts** | 2,428.2 | -205.7 | -233.8 |
| | **EUR +10%** | **EUR +10%** | **EUR +10%** |
| Equity | -186.6 | 7.7 | 13.9 |
| Profit or loss | 5.7 | -0.1 | 0.4 |
| | **EUR -10%** | **EUR -10%** | **EUR -10%** |
| Equity | 221.0 | -18.8 | -28.7 |
| Profit or loss | -6.9 | 0.1 | -0.5 |

Currency risks and other risk and opportunity categories are discussed in greater detail in the Combined Management Report in the Risk and Opportunity Report.

### INTEREST-RATE RISKS

The interest rate risk in the PUMA Group is primarily attributable to variable-interest borrowings. Interest rate management is carried out centrally by the Treasury division on the basis of specified limits. Within this framework, the division manages and monitors interest rate risk through the use of interest rate derivatives. Transactions are only concluded with counterparties that are creditworthy. Derivatives financial instruments must not be used for speculative purposes, but only to hedge risks related to underlying transactions.

As of 31 December 2023, € 207.5 million (previous year: € 67.5 million) of the borrowings were subject to variable interest.

Interest rate collars were also concluded at the same amount and with the same maturity to hedge the risk of interest rate changes for the variable interest-rate promissory note tranches in the amount of € 150.0 million in May 2023.

There is an economic relationship between the underlying and hedging transactions, since the terms of the interest-rate collars correspond to those of the floating-rate loans. This applies to the nominal amount, maturity, payment and interest adjustment dates. The underlying risk of interest rate collars is identical to that of the hedged risk components. A hedge ratio of 1:1 has therefore been established for the hedging relationship.

The net risk position and the average hedged interest rate are as follows:

### ↗ T.49 AVERAGE HEDGED INTEREST RATE

| | 2023 | |
|---|---|---|
| | **Current** | **Non-current** |
| **Net risk position (€ million)** | **54.5** | **3.0** |
| **Interest rate risk** | | |
| Average hedged interest rate in % based on current fixing (Cap/Floor) | | 4.7%/1.5% |

As there were no significant variable interest-bearing liabilities in the previous year and no interest hedging transactions were therefore used, the information for the previous year is not applicable.

**Interest sensitivity analysis**
The result in the Group depends on the development of the market interest rate level. A change in the interest rate level would have an impact on the Group's income and equity. The analysis carried out includes all interest-bearing financial instruments that are subject to interest rate risk.

A change in the interest rate level of 100 basis points would have the following effects on profit or loss and the cash flow hedge reserve in equity

### ↗ T.50 SENSITIVITY ANALYSIS FOR INTEREST RATE RISK (in € million)

| | 2023 | |
|---|---|---|
| | **+1.0%** | **-1.0%** |
| Equity | 0.8 | 0.0 |
| Profit or loss | 0.4 | -1.9 |

As there were no significant variable interest-bearing liabilities in the previous year, no interest-rate sensitivity analysis was prepared for the previous year.

### INFORMATION ON HEDGING INSTRUMENTS THAT ARE IN A HEDGING RELATIONSHIP

On the balance sheet date, the amounts relating to items designated as hedged underlying transactions with regard to exchange rate risks were as follows:

**T.51 DESIGNATED HEDGE ITEMS** (in € million)

| | Change in value for the calculation of hedge ineffectiveness | Reserve for cash flow hedges | Balance remaining in the cash flow hedging reserve from hedging relationships to which hedge accounting is no longer applied |
|---|---|---|---|
| **as of 31 December 2023** | | | |
| Currency risk – sales transactions | -8.2 | 19.6 | 0.0 |
| Currency risk – sourcing transactions | -5.4 | -23.5 | 0.0 |
| Interest rate risk | 0.0 | 0.0 | 0.0 |
| **as of 31 December 2022** | | | |
| Currency risk – sales transactions | -31.1 | 29.8 | 0.0 |
| Currency risk – sourcing transactions | 188.1 | -15.7 | 0.0 |

The amounts relating to items designated as hedging instruments have the following effects on the statement of financial position and income statement:

## T.52 DESIGNATED HEDGE INSTRUMENTS (in € million)

| | Nominal value | Carrying amount | | | in the financial year 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Assets | Liabilities | Item in the balance sheet, in which the hedging instrument is included | Changes in the value of the hedging instrument, recognized in other comprehensive income | Ineffectiveness of the hedging instrument, recognized in the income statement | Items in the income statement, containing the ineffectiveness of the hedging | Amount transferred from the hedging reserve to the inventory acquisition cost | Amount reclassified from the hedging reserve to the income statement | Items in the income statement affected by the reclassification |
| **as of 31 December 2023** | | | | | | | | | | |
| Currency risk – sales transactions | 1,082.2 | 22.3 | -6.2 | other current/ non-current financial assets/ liabilities | 8.2 | - | Financial expenses | - | 29.8 | Sales |
| Currency risk – sourcing transactions | 1,996.4 | 2.3 | -34.5 | | 5.4 | - | | -12.9 | -5.1 | Cost of sales |
| Interest rate risk | 150.0 | 0.0 | 0.0 | | 0.0 | - | | - | 0.0 | Financial expenses |
| | | | | | **in the financial year 2022** | | | | | |
| **as of 31 December 2022** | | | | | | | | | | |
| Currency risk – sales transactions | 1,097.7 | 44.0 | -3.5 | other current/ non-current financial assets/ liabilities | 31.1 | - | Financial expenses | - | -16.7 | Sales |
| Currency risk – sourcing transactions | 2,082.6 | 21.9 | -43.4 | | -188.1 | - | | 91.9 | 144.0 | Cost of sales |

The following table shows the reconciliation of the change in equity in relation to cash flow hedges:

### ↗ T.53 CHANGES IN THE RESERVE FOR CASH FLOW HEDGE (in € million)

| | 2023 | 2022 |
|---|---|---|
| **Reserve for cash flow hedge as of 1 January** | **14.2** | **78.1** |
| Change in fair value | | |
| Thereof currency risk | -13.6 | 157.0 |
| Thereof interest rate risk | 0.0 | 0.0 |
| Amount included in the acquisition cost of non-financial assets | 12.9 | -91.9 |
| Amount reclassified to the income statement | | |
| Thereof currency risk | -27.5 | -128.2 |
| Thereof interest rate risk | 0.0 | 0.0 |
| Tax effect | 10.1 | -0.7 |
| **Reserve for cash flow hedge as of 31 December** | **-3.9** | **14.2** |

A small portion of the originally planned sourcing and sales volume in foreign currencies did not transpire, leading to an excess of hedging transactions. Hedge accounting was terminated for those sourcing and sales transactions that were no longer expected to transpire, and the fair value was transferred as a profit or loss from the cash flow hedge reserve to the income statement. As soon as any highly likely sourcing or sales transaction is no longer expected to transpire, an offsetting transaction is concluded. Across all currency pairs, an amount of € 5.5 million (previous year: € -14.8 million) was recognised in the income statement.

## 15. PENSION PROVISIONS

Pension provisions result from employees' claims and, if applicable, their survivors, for benefits which are based on the statutory or contractual regulations applicable in the respective country in the event of invalidity, death or when a certain retirement age has been reached. Pension commitments in the PUMA Group include both benefit- and contribution-based pension commitments and include both obligations from current pensions and rights to pensions payable in the future. The pension entitlements are financed by both provisions and funds.

The risks associated with the pension commitments mainly concern the usual risks of benefit-based pension plans in relation to possible changes in the discount rate and inflation trends, and recipient longevity. In order to limit the risks of changed capital market conditions and demographic developments, plans with the maximum obligations were agreed or insured for new hires a few years ago in Germany and Great Britain. The specific risk of obligations based on salary is low within the PUMA Group. The introduction of an annual cap for pensionable salary in the Great Britain plan in 2016 covers this risk for the highest obligations. The Great Britain plan is therefore classified as a non-salary obligation.

### ↗ T.54 PRESENT VALUE OF PENSION OBLIGATION 2023 (in € million)

| | Germany | Great Britain | Other companies | PUMA Group |
|---|---|---|---|---|
| **Present value of pension obligation 31 December 2023** | | | | |
| Salary-based obligations | | | | |
| Annuity | 0.0 | 0.0 | 8.8 | 8.8 |
| One-off payment | 0.0 | 0.0 | 9.1 | 9.1 |
| Non-salary based obligations | | | | |
| Annuity | 49.3 | 31.9 | 0.0 | 81.2 |
| One-off payment | 8.2 | 0.0 | 0.0 | 8.2 |
| **Total** | **57.5** | **31.9** | **17.9** | **107.3** |

The following values were determined in the previous year:

### ↗ T.55 PRESENT VALUE OF PENSION OBLIGATION 2022 (in € million)

| | Germany | Great Britain | Other companies | PUMA Group |
|---|---|---|---|---|
| **Present value of pension obligation 31 December 2022** | | | | |
| Salary-based obligations | | | | |
| Annuity | 0.0 | 0.0 | 8.6 | 8.6 |
| One-off payment | 0.0 | 0.0 | 9.3 | 9.3 |
| Non-salary based obligations | | | | |
| Annuity | 48.9 | 29.6 | 0.0 | 78.5 |
| One-off payment | 7.9 | 0.0 | 0.0 | 7.9 |
| **Total** | **56.8** | **29.6** | **17.9** | **104.3** |

The main pension arrangements are described below:

The general pension scheme of PUMA SE essentially provides for pension payments to a maximum amount of € 127.82 per month and per eligible employee. It was closed for new members beginning in 1996. In addition, PUMA SE provides individual commitments (fixed sums in different amounts) as well as contribution-based individual benefits (in part from salary conversion). The contribution-based individual benefits are insured plans. There are no statutory minimum funding requirements. The scope of obligation for domestic pension claims amounts to € 57.5 million at the end of 2023 (previous year: € 56.8 million) and thus comprises 53.6% of the total obligation. The fair value of the plan assets relative to domestic obligations amounts to € 50.4 million. The corresponding pension provision amounts to € 7.1 million.

The defined benefit plan in Great Britain has not been available to new hires since 2006. This defined benefit plan includes salary and length of service-based commitments to provide old age, invalidity and surviving dependents' retirement benefits. In 2016, a growth cap of 1% p.a. was introduced on the pensionable salary. Partial capitalisation of the old-age pension is permitted. There are statutory minimum funding requirements. The obligations regarding pension claims under the defined benefit plan in the UK amount to € 31.9 million at the end of 2023 (previous year: € 29.6 million) and thus account for 29.7% of the total obligation. The obligation is covered by assets amounting to € 29.7 million. The provision amounts to € 2.2 million.

The present value of the pension obligation has developed as follows:

### ↗ T.56 DEVELOPMENT OF PRESENT VALUE OF PENSION OBLIGATION (in € million)

| | 2023 | 2022 |
|---|---|---|
| **Present value of pension obligation 1 January** | **104.3** | **122.3** |
| Cost of the pension obligation earned in the reporting year | 2.0 | 2.5 |
| Interest expense on pension obligation | 4.4 | 1.9 |
| Employee contributions | 0.6 | 8.3 |
| Benefits paid | -4.5 | -3.4 |
| Effects from transfers | 0.0 | 0.0 |
| Actuarial gains (-) and losses | 0.1 | -25.1 |
| Currency exchange effects | 0.5 | -2.2 |
| **Present value of pension obligation 31 December** | **107.3** | **104.3** |

The changes in the plan assets are as follows:

### ↗ T.57 DEVELOPMENT OF PLAN ASSETS (in € million)

| | 2023 | 2022 |
|---|---|---|
| **Plan assets 1 January** | **82.4** | **90.7** |
| Interest income on plan assets | 3.5 | 1.4 |
| Actuarial gains and losses (-) | -0.9 | -15.0 |
| Employer contributions | 1.2 | 1.0 |
| Employee contributions | 0.6 | 8.3 |
| Benefits paid | -2.2 | -2.3 |
| Currency exchange effects | 0.6 | -1.7 |
| **Plan assets 31 December** | **85.2** | **82.4** |

The pension provision for the Group is derived as follows:

### ↗ T.58 PENSION PROVISION (in € million)

| | 2023 | 2022 |
|---|---|---|
| Present value of pension obligation from benefit plans | 107.3 | 104.3 |
| Fair value of plan assets | -85.2 | -82.4 |
| **Financing status** | **22.1** | **21.9** |
| **Pension provision 31 December** | **22.1** | **21.9** |
| Thereof assets | 0.4 | 0.5 |
| Thereof liabilities | 22.5 | 22.4 |

In 2023, benefits paid amounted to € 4.5 million (previous year: € 3.4 million). Contributions in 2024 are expected to amount to € 3.0 million. Of this, € 0.9 million is expected to be paid directly by the employer. Employer contributions to external plan assets amounted to € 1.2 million in 2023 (previous year: € 1.0 million). Employer contributions in 2024 are expected to amount to € 0.8 million.

The changes in pension provisions are as follows:

### ↗ T.59 DEVELOPMENT OF THE PENSION PROVISION (in € million)

| | 2023 | 2022 |
|---|---|---|
| **Pension provision 1 January** | **21.9** | **31.6** |
| Pension expense | 2.8 | 3.0 |
| Actuarial gains (-) and losses recorded in other comprehensive income | 1.0 | -10.1 |
| Employer contributions | -1.2 | -1.0 |
| Direct pension payments made by the employer | -2.3 | -1.1 |
| Transfer values | 0.0 | 0.0 |
| Currency exchange differences | -0.2 | -0.5 |
| **Pension provision 31 December** | **22.1** | **21.9** |
| Thereof assets | 0.4 | 0.5 |
| Thereof liabilities | 22.5 | 22.4 |

The expenses in financial year 2023 are structured as follows:

### ↗ T.60 EXPENSES FOR DEFINED BENEFIT PLANS (in € million)

| | 2023 | 2022 |
|---|---|---|
| Cost of the pension obligation earned in the reporting year | 2.0 | 2.5 |
| Interest expense on pension obligation | 4.4 | 1.9 |
| Interest income on plan assets | -3.5 | -1.4 |
| Administration costs | 0.0 | 0.0 |
| **Expenses for defined benefit plans** | **2.8** | **3.0** |
| Thereof personnel costs | 1.9 | 2.5 |
| Thereof financial costs | 0.9 | 0.5 |

In addition to the defined benefit pension plans, PUMA also makes contributions to defined contribution plans. Payments for financial year 2023 amounted to €19.8 million (previous year: €18.5 million).

Actuarial gains and losses recorded in Other Comprehensive Income:

### ↗ T.61 GAINS AND LOSSES RECORDED IN OTHER COMPREHENSIVE INCOME (in € million)

| | 2023 | 2022 |
|---|---|---|
| **Revaluation of pension commitments** | **0.1** | **-25.1** |
| Actuarial gains (-) and losses resulting from changes in demographic assumptions | -0.7 | -0.1 |
| Actuarial gains (-) and losses resulting from changes in financial assumptions | 0.0 | -30.3 |
| Actuarial gains (-) and losses due to adjustments based on experience | 0.8 | 5.3 |
| **Revaluation of plan assets** | **0.9** | **15.0** |
| Amounts not recorded due to the maximum limit applicable to assets | 0.0 | 0.0 |
| Adjustment of administration costs | 0.0 | 0.0 |
| **Total revaluation amounts recorded directly in other comprehensive income** | **1.0** | **-10.1** |

Plan assets investment classes:

**↗ T.62 PLAN ASSETS INVESTMENT CLASSES** (in € million)

| | 2023 | 2022 |
|---|---|---|
| Cash and cash equivalents | 0.3 | 0.1 |
| Equity instruments | 6.0 | 5.5 |
| Bonds | 7.4 | 3.5 |
| Investment funds | 3.2 | 3.0 |
| Derivatives | 10.0 | 11.6 |
| Real estate | 2.9 | 2.9 |
| Insurance | 50.6 | 49.4 |
| Other | 4.9 | 6.4 |
| **Total plan assets** | **85.2** | **82.4** |

Of which, investment classes with a quoted market price:

**↗ T.63 PLAN ASSETS WITH A QUOTED MARKET PRICE** (in € million)

| | 2023 | 2022 |
|---|---|---|
| Cash and cash equivalents | 0.3 | 0.1 |
| Equity instruments | 6.0 | 5.5 |
| Bonds | 7.4 | 3.5 |
| Investment funds | 3.2 | 3.0 |
| Derivatives | 10.0 | 11.6 |
| Real estate | 2.1 | 2.1 |
| Insurance | 0.0 | 0.0 |
| Other | 4.7 | 6.3 |
| **Plan assets with a quoted market price** | **33.7** | **32.1** |

Plan assets still do not include the Group's own financial instruments or real estate used by Group companies.

The plan assets are used exclusively to meet defined pension commitments. Legal requirements exist in some countries for the type and amount of financial resources that can be chosen; in other countries (for example Germany) the financing of pension commitments can be chosen freely. In Great Britain, a board of trustees made up of company representatives and employees is in charge of asset management. Its investment strategy is aimed at long-term profits and tolerable volatility. It was last revised in 2022 to reduce the risk profile. In 2023, the trustees continued to monitor the investment strategy.

The following assumptions were used to determine pension obligations and pension expenses:

## ↗ T.64 ASSUMPTIONS USED TO DETERMINE THE PENSION OBLIGATIONS

| | 2023 | 2022 |
|---|---|---|
| Discount rate | 4.55% | 4.35% |
| Future pension increases | 1.93% | 2.00% |
| Future salary increases | 2.05% | 2.06% |

The indicated values are weighted average values. A standard interest rate of 4.45% was applied for the eurozone (previous year: 4.00%).

The 2018 G Heubeck guideline tables were used as mortality tables for Germany. For Great Britain, the mortality was assumed based on basic table series S2 taking into account life expectancy projections in accordance with CMI2021 with a long-term trend of 1%.

The following overview shows how the present value of pension obligations from benefit plans would have been affected by changes to significant actuarial assumptions.

## ↗ T.65 SENSITIVITY ANALYSIS FOR PENSION OBLIGATION (in € million)

| | 2023 | 2022 |
|---|---|---|
| Effect on present value of pension obligations if | | |
| the discount rate were 50 basis points higher | -3.7 | -3.7 |
| the discount rate were 50 basis points lower | 4.2 | 4.1 |

Salary and pension trends have only a negligible effect on the present value of pension obligations due to the structure of the benefit plans.

The weighted average duration of pension obligations is around 12 years (previous year: around 11 years).

## 16. OTHER PROVISIONS

↗ T.66 **OTHER PROVISIONS** (in € million)

| | 2022 | | | | | 2023 | | 2022 |
|---|---|---|---|---|---|---|---|---|
| | | Currency adjustments, retransfers | Additions | Utilization | Reversal | | thereof non-current | thereof non-current |
| Provisions for: | | | | | | | | |
| Warranties | 2.7 | -0.1 | 0.5 | -0.6 | -0.3 | 2.1 | 0.0 | 0.0 |
| Purchasing risks | 7.1 | -0.1 | 5.9 | -4.6 | -0.9 | 7.4 | 0.0 | 0.0 |
| Litigation risks | 26.6 | -0.7 | 6.1 | -15.2 | -2.8 | 13.9 | 7.5 | 8.4 |
| Restoration obligations | 17.0 | -0.8 | 1.9 | -0.8 | -0.5 | 16.9 | 13.9 | 14.1 |
| Personnel provisions | 7.0 | 0.4 | 2.6 | -4.1 | 0.0 | 5.9 | 5.9 | 7.0 |
| Other | 19.3 | -0.2 | 5.5 | -6.1 | -9.8 | 8.7 | 0.0 | 0.0 |
| **Total** | **79.8** | **-1.4** | **22.3** | **-31.5** | **-14.3** | **55.0** | **27.3** | **29.5** |

The warranty provision is determined on the basis of the historical value of sales generated during the past six months. It is expected that the majority of these expenses will fall due within the first six months of the next financial year. Purchasing risks relate primarily to materials and moulds that are required for the manufacturing of shoes.

Personnel provisions mainly relate to non-current variable compensation components. The risks arising from legal disputes relate to any form of legal dispute, including those relating to trademark and patent rights. The other provisions relate to other risks, in particular those associated with sourcing.

Current provisions are expected to be paid out in the following year, non-current provisions are expected to be paid out in a period of up to ten years. There are no significant compounding effects. The recognition and valuation of provisions is based on past experience of similar transactions. All events until the preparation of the consolidated financial statements are taken into account here.

## 17. EQUITY

### SUBSCRIBED CAPITAL

The subscribed capital corresponds to the subscribed capital of PUMA SE.

As of the balance sheet date, the subscribed capital in accordance with the Articles of Association corresponds to € 150,824,640.00 and is divided into 150,824,640 no-par value voting shares. This corresponds to a proportional amount of € 1.00 per share.

Changes in the outstanding shares:

### ↗ T.67 CHANGE IN OUTSTANDING SHARES

| | 2023 | 2022 |
|---|---|---|
| **Outstanding shares as of January 1, share** | **149,758,644** | **149,605,600** |
| Issue of Treasury Stock, share | 85,900 | 153,044 |
| **Outstanding shares as of December 31, share** | **149,844,544** | **149,758,644** |

The issue of treasury stock relates to compensation in connection with promotional and advertising agreements.

### CAPITAL RESERVE

The capital reserve includes the premium from issuing shares, as well as amounts from the grant, conversion and expiration of share options.

### REVENUE RESERVES INCL. RETAINED EARNINGS

The revenue reserves incl. retained earnings include the net earnings of the financial year as well as the earnings achieved in the past by the companies included in the consolidated financial statements to the extent that it was not distributed. In addition, the valuation effects from the pension provision recognised in other comprehensive income are recognised in retained earnings.

### DIFFERENCE FROM CURRENCY CONVERSION

The equity item for currency conversion serves to record the foreign exchange differences from the conversion of the financial statements of subsidiaries with non-euro accounting.

### CASH FLOW HEDGES

The "cash flow hedges" item includes the market valuation of derivative financial instruments. The item amounting to € -3.9 million (previous year: € 14.2 million) is offset by deferred taxes of € 5.3 million (previous year: € -4.8 million).

**TREASURY STOCK**

The resolution adopted by the Annual General Meeting on 7 May 2020 authorised the Company to purchase treasury shares up to a value of 10% of the share capital until 6 May 2025. By resolution of the Annual General Meeting of 5 May 2021, the Supervisory Board was authorised to issue the acquired shares to the members of the Management Board of the Company, excluding the shareholders' subscription rights. By resolution of the Annual General Meeting of 11 May 2022, the Management Board was, moreover, authorised to issue the acquired shares, excluding the shareholders' subscription rights, as part of the Company's or its affiliated companies' share-based payments or employee share programmes to individuals currently or formerly in an employment relationship with the Company or one of its affiliated companies or to members of the management of one of the Company's affiliated companies. If purchased through the stock exchange, the purchase price per share must not exceed 10% or fall below 20% of the average closing price for the Company's shares with the same attributes in the XETRA trading system (or a comparable successor system) during the last three trading days prior to the date of purchase.

The Company did not make use of the authorisation to purchase treasury stock during the reporting period.

As of the balance sheet date, the Company holds a total of 980,096 PUMA shares in its own portfolio, which corresponds to 0.65% of the subscribed capital.

**AUTHORISED CAPITAL**

As of 31 December 2023, the Company's Articles of Association provide for authorised capital totalling € 30,000,000.00:

Pursuant to Section 4.2. of the Articles of Association, the Management Board is authorised, with the consent of the Supervisory Board, to increase the Company's share capital by 4 May 2026 by up to € 30,000,000.00 (Authorised Capital 2021) by issuing new no-par value bearer shares against cash and/or non-cash contributions on one or more occasions. In the case of capital increases against contributions in cash, the new shares may be acquired by one or several banks, designated by the Management Board, subject to the obligation to offer them to the shareholders for subscription (indirect subscription right). The shareholders shall generally be entitled to subscription rights. However, the Management Board is authorised, with the consent of the Supervisory Board, to exclude shareholders' subscription rights in whole or in part in the cases specified in Section 4.2. of the Articles of Association.

The Management Board of PUMA SE did not make use of the existing authorised capital in the current reporting period.

**CONDITIONAL CAPITAL**

By resolution of the Annual General Meeting of 11 May 2022, the Management Board was authorised until 10 May 2027, with the consent of the Supervisory Board, through one or more issues, altogether or in parts and in various tranches at the same time, to issue bearer or registered convertible and/or option bonds, profit-sharing rights or participation bonds or a combination of these instruments with or without a term limitation in a total nominal amount of up to € 1,500,000,000.00.

The share capital was conditionally increased by up to € 15,082,464.00 by issuing up to 15,082,464 new no-par value bearer shares (Conditional Capital 2022). The conditional capital increase shall only be implemented to the extent that conversion/option rights are exercised, or the option/conversion obligations are met or tenders are carried out and to the extent that other forms of performance are not applied.

No use has been made of this authorisation to date.

## DIVIDENDS

The amounts eligible for distribution relate to the retained earnings of PUMA SE, which are determined in accordance with German Commercial Law.

The Management Board and the Supervisory Board will propose to the Annual General Meeting that a dividend of € 0.82 (previous year: € 0.82) per circulating share, or a total of € 122.9 million (with respect to the circulating shares as of 31 December 2023), be distributed to the shareholders from the retained earnings of PUMA SE for financial year 2023.

Proposed appropriation of the retained earnings of PUMA SE:

### ↗ T.68 PROPOSED APPROPRIATION OF THE RETAINED EARNINGS OF PUMA SE

| | 2023 | 2022 |
|---|---|---|
| Retained Earnings of PUMA SE as of December 31, € million | 486.4 | 499.4 |
| Retained earnings available for distribution, € million | 486.4 | 499.4 |
| Dividend per share, € | 0.82 | 0.82 |
| Number of outstanding shares*, share | 149,844,544 | 149,758,644 |
| Total dividend*, € million | 122.9 | 122.8 |
| Carried forward to the new accounting period*, € million | 363.6 | 376.6 |

* Previous year's values adjusted to the outcome of the Annual General Meeting

## NON-CONTROLLING INTERESTS

This item comprises non-controlling interests. The composition is shown in chapter 28.

## CAPITAL MANAGEMENT

The Group's objective is to retain a strong equity base in order to maintain both investor and market confidence, and to strengthen future business performance.

Capital management relates to the consolidated equity of PUMA. This is presented in the consolidated statement of financial position and in the consolidated statement of changes in equity.

## 18. MANAGEMENT INCENTIVE PROGRAMMES

Virtual shares with cash settlement and other global long-term incentive programmes are used at PUMA to tie the management to the Company with a long-term incentive effect.

The current programmes are described below:

### EXPLANATION OF "VIRTUAL SHARES", TERMED "MONETARY UNITS" (FULL TERM: MONETARY UNITS PLAN – MUP)

Monetary units were granted on an annual basis to members of the Management Board beginning in 2013 as part of a management incentive programme. Monetary units are based on the PUMA share performance. Each of these monetary units entitles the holder to a cash payment at the end of the term. The entitled cash payment compares the performance using the average virtual appreciation rights of the last thirty trading days before the start of the year of issue with the virtual appreciation rights of the last thirty trading days before the exercise date. The maximum increase in value (cap) is limited to 300% of the amount allocated. Monetary units are subject to a vesting period of three years. After that, there is an exercise period beginning 30 days after each quarterly publication date for a period of two years which can be freely used by participants for the purposes of execution. Virtual shares are reduced on a "pro rata" basis in the event of withdrawal during the vesting period. This programme will expire and be replaced by the Performance Share Plan. As a result, no more shares were issued from this programme in financial year 2023.

### EXPLANATION OF "VIRTUAL SHARES" (FULL TERM: PERFORMANCE SHARE PLAN – PSP)

Virtual shares were granted on an annual basis to members of the Management Board beginning in 2021 as part of a management incentive programme. The virtual shares are based on the PUMA share performance. Each of these virtual shares entitles the holder to a cash payment at the end of the term. However, the Supervisory Board reserves the right to make the payment in PUMA shares instead of cash. This cash payout is based on the PUMA closing prices for the last thirty trading days before the exercise date. The final number of virtual shares is between 50% and 150%, depending on the relative "Total Shareholder Returns" (TSR) compared to the MDAX index. The PUMA and MDAX index TSRs are calculated using the arithmetic means of each of the TSR values on the 30 trading days before the start and end of the performance period. The averages calculated in this way for PUMA and the MDAX index are then compared with each other. The difference in percentage points between the PUMA TSR and the MDAX index TSR is then calculated (= TSR outperformance in percentage points). The maximum increase in value (cap) is limited to 300% of the amount allocated. Virtual shares are subject to a vesting period of four years. They are generally paid out within the first quarter of the fifth year after their issue. Virtual shares are reduced on a "pro rata" basis in the event of withdrawal during the vesting period. For the programmes issued in the financial years 2021 and 2022, the DAX acts as the basis for calculating virtual shares, while the MDAX index is used starting financial year 2023.

In financial year 2023, income of € 2.4 million was recorded for this purpose on the basis of the employment contract commitments to the Management Board members (previous year: income of € 0.9 million).

## ↗ T.69 VIRTUAL SHARES, MEMBERS OF THE MANAGEMENT BOARD

| **Plan** | **MUP** | **MUP** | **PSP** | **MUP** | **PSP** | **PSP** | |
|---|---|---|---|---|---|---|---|
| **Issue date** | **1/1/2020** | **1/1/2021** | **1/1/2021** | **1/1/2022** | **1/1/2022** | **1/1/2023** | |
| Term | 5 | 5 | 4.25 | 5 | 4.25 | 4.25 | Years |
| Vesting period | 3 | 3 | 4 | 3 | 4 | 4 | Years |
| Base price PUMA share at issue | 67.69 | 86.23 | 86.23 | 106.95 | 106.95 | 51.86 | EUR/share |
| Reference value PUMA share at the end of the financial year | 0 | 55.46 | 49.25 | 55.46 | 46.3 | 50.62 | EUR/share |
| Weighted share price at the time of exercise | 62.03 | 0 | 0 | 0 | 0 | 0 | EUR/share |
| Participants in the year of issue | 3 | 3 | 2 | 1 | 3 | 4 | Persons |
| Participants at the end of the financial year | 3 | 3 | 2 | 1 | 3 | 4 | Persons |
| Number of monetary units/virtual shares as of 1 January 2023 | 62,743 | 34,548 | 7,070 | 10,323 | 16,458 | 81,279 | Shares |
| Number of monetary units/virtual shares exercised in the financial year | -62,743 | 0 | 0 | 0 | 0 | 0 | Shares |
| Number of monetary units/virtual shares expired in the financial year | 0 | 0 | 0 | 0 | 0 | 0 | Shares |
| **Final number of monetary units/virtual shares as of 31 December 2023** | **0** | **34,548** | **7,070** | **10,323** | **16,458** | **81,279** | **Shares** |

This commitment consisting of share-based remuneration transactions with cash compensation is recorded as personnel provisions and remeasured at fair value on every balance sheet date, provided it has not been exercised yet. The expenses are recorded pro rata over the vesting period. Based on the prorated average market price over the last thirty trading days in 2023 and taking into account the intra-year exercises in 2023, the provisions for these programmes amounted to € 4.4 million at the end of the financial year (previous year: € 5.8 million).

### EXPLANATION OF THE "GAME CHANGER 2.0" PROGRAMME

In 2018, the Long-Term Incentive Programme (LTIP) "Game Changer 2.0" was launched. Participants in this programme consist mainly of top executives reporting to the Management Board and individual key positions in the PUMA Group. The objective of this programme is to retain these employees in the Company on a long-term basis and to allow them to share in the medium-term success of the Company.

The LTIP "Game Changer 2.0" consists of two plan parts, a Performance Cash Plan and a Performance Share Plan, each with a 50% share. The Performance Cash Plan gives a reward for the PUMA Group's financial performance, while the Performance Share Plan gives a reward for the performance of the PUMA SE share in the capital market.

The performance period of the Performance Cash Plan is three years and is based on the average medium-term targets of the PUMA Group in terms of EBIT, sales and cash flow or working capital as a percentage of sales. Payment is made in cash and is limited to a maximum of 200% of the granted proportionate target amount (cap).

The Performance Share Plan uses virtual shares to manage the incentive. The term is up to five years. This is divided into a three-year performance period and a two-year exercise period in which the virtual shares are paid out in cash. A payout is only possible at the four exercise times (6, 12, 18 or 24 months after the end of the performance period). The average share price of the last 30 trading days before the exercise date determines the value of a virtual share. The payout is limited to a maximum of 300% of the granted prorated target amount (cap) and is only made if an exercise hurdle of +10% share-price appreciation is exceeded once during the performance period.

### EXPLANATION OF THE "GAME CHANGER 2.0 – 2023" PROGRAMME

In 2020, the global "Game Changer 2.0 – 2023" programme, as outlined above, was launched. The Performance Cash Plan is based on the following targets: EBIT (70%), cash flow (15%) and sales (15%). As part of the Performance Share component, payment is limited to a maximum of 300% of the granted proportionate target amount (cap).

In the reporting year, an amount of € 2.2 million (of which, € 0.8 million from the Performance Share Plan) was paid out to the participants. The payment was subject to the condition that the individual participants were in an unterminated employment relationship with a company in the PUMA Group as at 31 December 2022. Furthermore, € -0.1 million was released for this programme in the year under review (previous year: release of € 0.2 million). This resulted in a provision for this programme at the end of the financial year of
€ 0.5 million (previous year: € 2.8 million). The Performance Share Plan portion accounted for € 0.5 million (previous year: € 1.3 million).

### EXPLANATION OF THE "GAME CHANGER 2.0 – 2024" PROGRAMME

In 2021, the global "Game Changer 2.0 – 2024" programme, as outlined above, was launched. The Performance Cash Plan is based on the following targets: EBIT (45%), working capital as a percentage of sales (15%), and sales (40%). As part of the Performance Share component, payment is limited to a maximum of 300% of the granted proportionate target amount (cap). An employment relationship until 31 December 2023 is required. In the reporting year, € 0.2 million was released for this programme (previous year: € 0.0 million) and a proportionate amount of € 1.1 million (previous year: € 0.5 million) was set aside for this programme. This resulted in a provision for this programme at the end of the financial year of € 3.4 million (previous year: € 2.5 million). The Performance Share Plan portion accounted for € 1.2 million (previous year: € 0.8 million).

### EXPLANATION OF THE "GAME CHANGER 2.0 – 2026" PROGRAMME

In 2023, the global "Game Changer 2.0 – 2026" programme, as outlined above, was launched. The Performance Cash Plan is based on the following targets: EBIT (70%), cash flow (15%) and sales (15%). As part of the Performance Share component, payment is limited to a maximum of 300% of the granted proportionate target amount (cap). An employment relationship until 31 December 2024 is required. In the reporting year, a prorated amount of € 1.8 million (previous year: € 0.0 million) was set aside for this programme. This resulted in a provision for this programme at the end of the financial year of € 1.8 million (previous year: € 0.0 million). The Performance Share Plan portion accounted for € 1.0 million (previous year: € 0.0 million).

### EXPLANATION OF THE "ROAD 2 10B" PROGRAMME

In 2022, the "Game Changer 2.0" programme was replaced by the long-term incentive programme (LTIP) "Road 2 10B". Participants in this programme consist of important professionals and managers within the PUMA Group. The objective of this programme is to retain these employees in the Company on a long-term basis and to allow them to share in the medium-term success of the Company.

The LTIP "Road 2 10B" consists of two plan parts, a Performance Cash Plan and a Performance Share Plan, each with a 50% share. The Performance Cash Plan gives a reward for the PUMA Group's financial performance, while the Performance Share Plan gives a reward for the performance of the PUMA SE share in the capital market.

The Performance Cash Plan is focused on the following targets: EBIT, sales and working capital as a percentage of sales based on the three-year plan set by the Management Board of PUMA SE. For participants in the programme with an employment relationship at Group level, the target achievement is based on the following Group targets: EBIT (45%), sales (40%), and working capital as a percentage of sales (15%). For participants in the programme with an employment relationship at the national or regional level, 50% of the target achievement is based on achieving the Group targets. The remaining 50% is based on achieving the following targets at the national or regional level: EBIT (22.5%), sales (20%) and working capital as a percentage of sales (7.5%). Payment is limited to a maximum of 200% of the granted proportionate target amount (cap).

The Performance Share Plan is based on the performance of the PUMA share price. The term is up to five years, divided into a three-year performance period and a subsequent two-year exercise period, in which the virtual shares are paid out in cash. A payout is only possible at the four exercise times (6, 12, 18 or 24 months after the end of the performance period). The average share price of the last 30 trading days before the exercise date determines the payout value of a virtual share. The payout is limited to a maximum of 300% of the granted prorated target amount (cap) and is only made if an exercise hurdle of +10% share-price appreciation is exceeded once during the performance period.

In the reporting year, € 0.6 million was released for this programme (previous year: € 0.0 million) and a proportionate amount of € 0.8 million (previous year: € 4.7 million) was set aside for this programme. This resulted in a provision for this programme at the end of the financial year of € 6.0 million (previous year: € 5.8 million). The Performance Share Plan portion accounted for € 0.4 (previous year: € 0.6 million).

## ↗ T.70 VIRTUAL SHARES, NON-MANAGEMENT BOARD MEMBERS

| **Program addendum** | **Game Changer 2023** | **Game Changer 2024** | **Road 2.10b** | **Game Changer 2026** | |
|---|---|---|---|---|---|
| **Issue date** | **1/1/2020** | **1/1/2021** | **1/1/2022** | **1/1/2023** | |
| Term | 5 | 5 | 5 | 5 | Years |
| Vesting period | 3 | 3 | 3 | 3 | Years |
| Base price at program start | 67.69 | 86.23 | 106.95 | 51.86 | EUR/share |
| Reference value at the end of the financial year | 55.46 | 55.46 | 5.73 | 55.46 | EUR/share |
| Weighted share price at the time of exercise | 51.43 | 0 | 0 | 0 | EUR/share |
| Participants in the year of issue | 60 | 76 | 486 | 84 | Persons |
| Participants at the end of the financial year | 19 | 65 | 467 | 84 | Persons |
| Number of virtual shares as of 1 January 2023 | 24,547 | 23,340 | 103,352 | 55,167 | Shares |
| Number of virtual shares expired in the financial year | -222 | -2,370 | -10,467 | 0 | Shares |
| Number of virtual shares added in the financial year (new participants) | 0 | 470 | 2,674 | 0 | Shares |
| Number of virtual shares exercised in the financial year | -15,334 | 0 | 0 | 0 | Shares |
| **Final number of virtual shares as of 31 December 2023** | **8,991** | **21,440** | **95,559** | **55,167** | **Shares** |

# NOTES TO THE CONSOLIDATED INCOME STATEMENT

## 19. SALES

The following table shows the Group's sales broken down by distribution channel and division:

**↗ T.71 BREAKDOWN BY DISTRIBUTION CHANNEL** (in € million)

| | 2023 | 2022 |
|---|---|---|
| Wholesale | 6,468.6 | 6,513.7 |
| Direct-to-consumer (DTC) | 2,133.0 | 1,951.4 |
| **Total** | **8,601.7** | **8,465.1** |

**↗ T.72 BREAKDOWN BY PRODUCT DIVISION** (in € million)

| | 2023 | 2022 |
|---|---|---|
| Footwear | 4,583.4 | 4,317.9 |
| Apparel | 2,763.0 | 2,896.3 |
| Accessories | 1,255.3 | 1,251.0 |
| **Total** | **8,601.7** | **8,465.1** |

## 20. OTHER OPERATING INCOME AND EXPENSES

According to the respective functions, other operating income and expenses include personnel, advertising, sales and distribution expenses as well as rental and leasing expenditure, travel costs, legal and consulting expenses and other general expenses. Rental and lease expenses associated with the Group's own retail stores include revenue-based rental components.

Other operating income and expenses are allocated based on functional areas as follows:

**↗ T.73 OTHER OPERATING INCOME AND EXPENSES** (in € million)

| | 2023 | 2022 |
|---|---|---|
| Sales and distribution expenses | 2,799.0 | 2,677.2 |
| Product management/merchandising | 82.5 | 70.9 |
| Research and development | 89.0 | 82.2 |
| Administrative and general expenses | 450.9 | 465.8 |
| **Other operating expenses** | **3,421.3** | **3,296.0** |
| **Other operating income** | **-17.8** | **-0.1** |
| **Total** | **3,403.5** | **3,295.9** |
| Thereof personnel expenses | 894.4 | 836.3 |
| Thereof scheduled depreciation | 351.7 | 332.8 |
| Thereof impairment losses | 5.7 | 26.0 |
| Thereof reversal of impairment losses | -11.9 | 0.0 |

Within the sales and distribution expenses, marketing/retail expenses account for a large proportion of the operating expenses. In addition to advertising and promotional expenses, they also include expenses associated with the Group's own retail activities. Other sales and distribution expenses include logistics expenses and other variable sales and distribution expenses.

Impairment expenses in the reporting year amounted to € 5.7 million and related exclusively to right-of-use assets (previous year: € 25.4 million). There were no impairment expenses for property, plant and equipment (previous year: € 0.6 million). In contrast, there were reversals of impairment losses on right-of-use assets amounting to € 11.9 million (previous year: € 0.0 million).

In the consolidated financial statements of PUMA SE, fees of € 2.0 million (previous year: € 1.9 million) are recorded as operating expenses for the auditor of the consolidated financial statements, KPMG AG Wirtschaftsprüfungsgesellschaft, Nuremberg, Germany. The audit fee is divided into fees for audit services for the annual and consolidated financial statements as well as the audit review of the half-year financial report in the amount of € 1.8 million (previous year: € 1.8 million) and other assurance services amounting to € 0.2 million (previous year: € 0.1 million) mainly for the audit of information in the sustainability report and other minor services in the amount of € 0.0 million (previous year: none). In addition to expenses for PUMA SE, the fees also include the fees of the domestic and foreign subsidiaries audited directly by the Group auditor.

In financial year 2023, government grants amounted to a mid single-digit (previous year: low double-digit) million euro amount. Government grants are deducted from the corresponding expenses.

Other operating income comprises income from the sale of fixed assets in the amount of € 8.5 million (previous year: € 0.1 million), selling profit from finance leases totalling € 8.0 million (previous year: € 0.0 million), and rental income totalling € 1.4 million (previous year: € 0.0 million).

Overall, other operating expenses include personnel costs, which consist of:

### ↗ T.74 PERSONNEL COSTS (in € million)

| | 2023 | 2022 |
|---|---|---|
| Wages and salaries | 688.7 | 649.8 |
| Social security contributions | 101.2 | 91.9 |
| Expenses from share-based payments with cash compensation | 5.2 | 5.1 |
| Expenses for retirement pension and other personnel expenses | 99.3 | 89.5 |
| **Total** | **894.4** | **836.3** |

In addition, cost of sales includes personnel costs in the amount of € 6.2 million (previous year: € 10.2 million).

The average number of employees for the year was as follows:

### ↗ T.75 EMPLOYEES

| | 2023 | 2022 |
|---|---|---|
| Marketing/retail/sales | 13,092 | 12,229 |
| Research & development/product management | 1,360 | 1,228 |
| Administrative and general units | 3,570 | 3,213 |
| **Total annual average** | **18,023** | **16,669** |

As of the end of the year, a total of 18,681 individuals were employed (previous year: 18,071).

## 21. FINANCIAL RESULT

The financial result consists of:

### ↗ T.76 FINANCIAL RESULT (in € million)

| | 2023 | 2022 |
|---|---|---|
| Interest income | 36.6 | 32.3 |
| Interest income - lease receivables | 1.2 | 0.0 |
| Other | 74.9 | 47.1 |
| **Financial income** | **112.7** | **79.4** |
| Interest expense | -53.1 | -15.2 |
| Interest expense - lease liabilities | -46.8 | -38.6 |
| Interest expense of valuation of pension plans | -0.9 | -0.6 |
| Expenses from currency-conversion differences, net | -69.4 | -2.2 |
| Other | -85.9 | -111.7 |
| **Financial expenses** | **-256.0** | **-168.3** |
| **Financial result** | **-143.3** | **-88.9** |

The "Other" item in the financial income of € 74.9 million (previous year: € 47.1 million) includes interest components in connection with currency derivatives as well as hedging gains from freestanding derivatives.

The item "Other" in financial expenses includes, among other things, interest components in connection with currency derivatives in the amount of € 58.1 million (previous year: € 69.9 million) and the loss on the net monetary position associated with hyperinflation in the amount of € 23.7 million (previous year: € 27.8 million).

## 22. INCOME TAXES

### ↗ T.77 INCOME TAXES (in € million)

| | 2023 | 2022 |
|---|---|---|
| Current income taxes | 140.6 | 152.5 |
| Deferred taxes | -22.8 | -25.1 |
| **Total** | **117.8** | **127.4** |

Current income taxes include € 0.8 million in out-of-period income. Deferred taxes include tax income of € 0.3 million (tax income in previous year: € 39.2 million), which is attributable to the occurrence or resolution of temporary differences.

In general, PUMA SE and its German subsidiaries are subject to corporate income tax, plus a solidarity surcharge and trade tax. Thus, a weighted mixed tax rate of 27.22% continued to apply for the financial year.

Reconciliation of the theoretical tax expense with the effective tax expense:

## ↗ T.78 TAX RATE RECONCILIATION (in € million)

| | 2023 | 2022 |
|---|---|---|
| **Earnings before income tax** | 478.3 | 551.7 |
| Theoretical tax expense | | |
| Tax rate of the SE = 27.22% (previous year: 27.22%) | 130.2 | 150.2 |
| Tax rate difference with respect to other countries | -21.0 | -6.9 |
| Other tax effects: | | |
| Income tax for previous years | 3.7 | -9.7 |
| Losses and temporary differences for which no tax claims were recognized | 6.4 | 4.8 |
| Changes in tax rates | -0.4 | -0.6 |
| Non-deductible expenses for tax purposes and non-taxable income and other effects | -1.1 | -10.4 |
| **Effective tax expense** | **117.8** | **127.4** |
| Effective tax rate | 24.6% | 23.1% |

For the financial year 2023, the total tax advantage from previously uncapitalised tax losses, tax credits or temporary differences from previous years which led to a reduction in deferred tax expenses, amounted to € 7.5 million (previous year: € 7.0 million). Deferred tax expenses due to an impairment of deferred tax assets amounted to € 11.3 million in the financial year (previous year: € 5.0 million).

The tax effect resulting from items that were directly included in other comprehensive income can be found in chapter 8.

### INFORMATION ON THE EFFECTS OF GLOBAL MINIMUM TAXATION (PILLAR II)

On 23 May 2023, the IASB published amendments to IAS 12, which require companies subject to global minimum taxation regulations to provide additional information on the impact of the global minimum taxation in their annual financial statements for financial years beginning on or after 1 January 2023.

The PUMA Group falls within the scope of application of the global minimum taxation. The relevant legislation entered into force on 28 December 2023 in Germany, the country in which the parent company of the PUMA Group is based, and applies to financial years beginning after 31 December 2023. As the Minimum Tax Act ("MinStG") applies to the financial year of the PUMA Group beginning on 1 January 2024, but was not yet applicable to the financial year beginning on 1 January 2023, the PUMA Group has no associated ongoing tax risk in financial year 2023. Taking into account the fact that the PUMA Group will be affected by the minimum tax legislation, a preliminary valuation of the potential risk was carried out.

The valuation of the potential risk of Pillar II taxes is based on the most recent country-related reports and financial statements available to the Group's business units. The Group has identified a potential risk of the suspension of Pillar II taxes on profits made in Hong Kong and the United Arab Emirates. The potential risk arises from the business units (mainly operating subsidiaries) in these countries, where the effective tax rate is likely to be less than 15%.

If the MinStG had been applied for this financial year ending on 31 December 2023, the amount of the tax increase determined according to the MinStG would have totalled approx. € 12 million. However, the actual amounts of tax increases in the countries concerned in 2024 will depend on various factors.

The PUMA Group makes use of the exemption under IAS 12.88A for the recognition of deferred taxes that result from the introduction of global minimum taxation.

## 23. EARNINGS PER SHARE

The earnings per share are determined in accordance with IAS 33 by dividing the consolidated annual surplus (consolidated net earnings) attributable to the shareholders of the parent company by the weighted average number of outstanding shares.

The calculation is shown in the table below:

### ↗ T.79 EARNINGS PER SHARE

| | 2023 | 2022 |
|---|---:|---:|
| Net income attributable to the shareholders of PUMA SE (€ million) | 304.9 | 353.5 |
| Weighted average number of outstanding shares (shares) | 149,852,251 | 149,649,158 |
| **Earnings per share (€)** | **2.03** | **2.36** |
| | | |
| Net income for calculating the diluted earnings per share (€ million) | 304.9 | 353.5 |
| Weighted average number of outstanding shares (shares) | 149,852,251 | 149,649,158 |
| Dilutive effect of conditionally issuable shares in connection with service agreements | 0 | 12,107 |
| Dilutive effect from share-based payments | 19,651 | 2,573 |
| Weighted average number of outstanding shares, diluted (shares) | 149,871,901 | 149,663,837 |
| **Earnings per share (€) - diluted** | **2.03** | **2.36** |

# ADDITIONAL INFORMATION

## 24. SEGMENT REPORTING

Segment reporting is based on geographical areas of responsibility in accordance with the PUMA internal reporting structure, with the exception of stichd. The geographical area of responsibility corresponds to the business segment. Sales, the operating result (EBIT) and other segment information are allocated to the corresponding geographical areas of responsibility according to the registered office of the respective Group company.

The internal management reporting includes the following reporting segments: Europe, EEMEA (Eastern Europe, Middle East, Africa, India and Southeast Asia), North America, Latin America, Greater China, rest of Asia/Pacific (excluding Greater China and Southeast Asia) and stichd. These are reported as reportable business segments in accordance with the criteria of IFRS 8.

The reconciliation includes information on assets, liabilities, expenses and income in connection with centralised functions that do not meet the definition of business segments in IFRS 8. Central expenses and income include in particular central sourcing, central treasury, central marketing, impairment losses on non-current assets and other global functions of the Company headquarters.

The Company's main decision-maker is defined as the entire Management Board of PUMA SE.

The external sales presented in the segment reporting includes sales from both the wholesale business and own retail activities (direct-to-consumer business). The percentage breakdown of sales by wholesale business and direct-to-consumer business at the segment level mainly aligns with the breakdown at the Group level (see chapter 19). Exceptions to this are the Greater China segment, where wholesale sales represent approximately 50%, and the stichd segment, which almost exclusively generates wholesale sales.

The business relationships between the companies in the segments are essentially based on prices that are also agreed with third parties. With the exception of sales of goods by stichd amounting to € 37.1 million (previous year: € 38.3 million), there are no significant internal sales, which is why they are not included in the presentation.

The operating result (EBIT) of the business segments is defined as gross profit less the attributable other operating expenses plus royalty and commission income and other operating income, but not considering the costs of the central departments and the central marketing expenses.

The external sales, operating result (EBIT), inventories and trade receivables of the business segments are regularly reported to the main decision-maker. Amounts recognised by the Group from the intra-group profit elimination on inventories in connection with intra-group sales are not allocated to the business segments in the way that they are reported to the main decision-maker. Investments, depreciation and non-current assets at the level of the business segments are not reported to the main decision-maker. Intangible assets are allocated to the business segments in the manner described in chapter 11. Liabilities, the financial result and income taxes are not allocated to the business segments and are therefore not reported to the main decision-maker at the business segment level.

Non-current assets and depreciation comprise the carrying amounts and depreciation of property, plant and equipment, right-of-use assets and intangible assets during the past financial year. The investments comprise additions to property, plant and equipment and intangible assets.

Since PUMA is active in only one business area, the sporting goods industry, products are additionally allocated according to the Footwear, Apparel and Accessories product segments in accordance with the internal reporting structure.

## SEGMENT REPORTING JAN-DEC 2023

### ↗ T.80 BUSINESS SEGMENTS (in € million)

| | External Sales | | EBIT | | Investments | |
|---|---|---|---|---|---|---|
| | 1-12/2023 | 1-12/2022 | 1-12/2023 | 1-12/2022 | 1-12/2023 | 1-12/2022 |
| Europe | 2,016.0 | 1,922.5 | 251.4 | 242.0 | 25.8 | 33.6 |
| EEMEA | 1,626.2 | 1,333.3 | 392.1 | 308.5 | 28.1 | 30.2 |
| North America | 2,095.9 | 2,531.4 | 295.0 | 398.9 | 75.5 | 67.6 |
| Latin America | 1,239.9 | 1,098.3 | 285.3 | 285.2 | 75.8 | 34.6 |
| Greater China | 582.2 | 521.3 | 84.5 | 20.2 | 10.3 | 20.3 |
| Asia/Pacific (excluding Greater China) | 551.7 | 588.5 | 61.2 | 73.4 | 6.5 | 7.2 |
| stichd | 459.4 | 469.8 | 89.5 | 113.2 | 22.1 | 21.2 |
| **Total business segments** | **8,571.3** | **8,465.1** | **1,458.9** | **1,441.2** | **244.1** | **214.7** |

| | Depreciation and amortization | | Inventories | | Trade Receivables (third parties) | |
|---|---|---|---|---|---|---|
| | 1-12/2023 | 1-12/2022 | 1-12/2023 | 1-12/2022 | 1-12/2023 | 1-12/2022 |
| Europe | 61.7 | 58.5 | 498.5 | 602.5 | 196.4 | 190.3 |
| EEMEA | 55.6 | 55.8 | 338.4 | 378.5 | 286.5 | 189.4 |
| North America | 83.3 | 71.2 | 466.1 | 739.3 | 204.9 | 259.2 |
| Latin America | 39.2 | 23.1 | 306.9 | 253.1 | 223.7 | 200.7 |
| Greater China | 29.3 | 39.7 | 109.6 | 179.1 | 40.6 | 44.5 |
| Asia/Pacific (excluding Greater China) | 28.1 | 31.6 | 97.8 | 114.7 | 91.5 | 111.4 |
| stichd | 11.2 | 8.3 | 104.8 | 93.9 | 72.1 | 66.1 |
| **Total business segments** | **308.3** | **288.2** | **1,922.0** | **2,361.1** | **1,115.7** | **1,061.6** |

## ↗ T.81 CONTINUATION BUSINESS SEGMENTS (in € million)

| | Non-current assets | |
|---|---|---|
| | 1-12/2023 | 1-12/2022 |
| Europe | 477.4 | 477.1 |
| EEMEA | 186.1 | 198.1 |
| North America | 741.8 | 750.4 |
| Latin America | 221.5 | 128.2 |
| Greater China | 91.8 | 86.2 |
| Asia/Pacific (excluding Greater China) | 121.7 | 149.4 |
| stichd | 226.0 | 209.6 |
| **Total business segments** | **2,066.4** | **1,999.1** |

## ↗ T.82 PRODUCT External Sales (€ million) Gross Profit Margin (in %)

| | External Sales | | Gross Profit Margin | |
|---|---|---|---|---|
| | 1-12/2023 | 1-12/2022 | 1-12/2023 | 1-12/2022 |
| Footwear | 4,583.4 | 4,317.9 | 45.4% | 44.9% |
| Apparel | 2,763.0 | 2,896.3 | 47.8% | 47.3% |
| Accessories | 1,255.3 | 1,251.0 | 46.6% | 47.4% |
| **Total** | **8,601.7** | **8,465.1** | **46.3%** | **46.1%** |

## RECONCILIATIONS

### ↗ T.83 RECONCILIATIONS (in € million)

| | External Sales | |
|---|---|---|
| | 1-12/2023 | 1-12/2022 |
| **Total business segments** | 8,571.3 | 8,465.1 |
| Central Areas | 30.4 | 0.0 |
| **Total** | **8,601.7** | **8,465.1** |

| | EBIT | |
|---|---|---|
| | 1-12/2023 | 1-12/2022 |
| **Total business segments** | **1,458.9** | **1,441.2** |
| Central Areas | -344.6 | -364.4 |
| Central expenses Marketing | -492.7 | -436.2 |
| Consolidation | 0.0 | 0.0 |
| **EBIT** | **621.6** | **640.6** |
| **Financial Result** | **-143.3** | **-88.9** |
| **EBT** | **478.3** | **551.7** |

| | Investments | | Depreciation and amortization | |
|---|---|---|---|---|
| | 1-12/2023 | 1-12/2022 | 1-12/2023 | 1-12/2022 |
| **Total business segments** | **244.1** | **214.7** | **308.3** | **288.2** |
| Central Areas | 55.5 | 49.3 | 43.4 | 44.6 |
| Consolidation | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **299.6** | **263.9** | **351.7** | **332.8** |

| | Inventories | | Trade Receivables (third parties) | | Non-current assets | |
|---|---|---|---|---|---|---|
| | 1-12/2023 | 1-12/2022 | 1-12/2023 | 1-12/2022 | 1-12/2023 | 1-12/2022 |
| **Total business segments** | **1,922.0** | **2,361.1** | **1,115.7** | **1,061.6** | **2,066.4** | **1,999.1** |
| Not allocated to the business segments | -117.7 | -116.0 | 2.8 | 3.3 | 237.7 | 211.0 |
| **Total** | **1,804.4** | **2,245.1** | **1,118.4** | **1,064.9** | **2,304.1** | **2,210.1** |

### GEOGRAPHICAL INFORMATION

Sales revenue (with third parties) is reported in the geographical market in which it arises. Non-current assets are allocated to the geographical market based on the registered office of the relevant subsidiary, regardless of the segment structure.

**↗ T.84 GEOGRAPHICAL INFORMATION BY COUNTRY** (in € million)

| | External Sales | | Non-current assets | |
|---|---|---|---|---|
| | **1-12/2023** | **1-12/2022** | **1-12/2023** | **1-12/2022** |
| Germany, Europe | 631.6 | 586.3 | 507.0 | 488.3 |
| USA, North America | 1,933.7 | 2,334.2 | 604.5 | 604.7 |

## 25. NOTES TO THE CASH FLOW STATEMENT

The cash flow statement was prepared in accordance with IAS 7 and is structured based on cash flows from operating, investing and financing activities. The indirect method is used to determine the cash outflow/inflow from operating activities. The gross cash flow, derived from earnings before income tax and adjusted for non-cash income and expense items, is determined within the cash flow from operating activities. Cash outflow/inflow from operating activities less investments in property, plant and equipment as well as intangible assets is referred to as free cash flow.

The cash and cash equivalents reported in the cash flow statement include all cash and cash equivalents shown in the statement of financial position under the item "Cash and cash equivalents", i.e. cash on hand, checks and current bank balances including short-term financial investments.

The following table shows the cash and non-cash changes in financial liabilities in accordance with IAS 7.44 A:

**↗ T.85 RECONCILIATION OF FINANCIAL LIABILITIES TO THE CASH INFLOW/ OUTFLOW FROM FINANCING ACTIVITIES 2023** (in € million)

| | | | Non-cash changes | | | |
|---|---|---|---|---|---|---|
| | **Notes** | **Balance 01/01/2023** | **Currency changes** | **Other** | **Cash changes** | **Balance 31/12/2023** |
| Financial liabilities | | | | | | |
| Lease liabilities | 10 | 1,230.4 | -44.9 | 254.9 | -208.0 | 1,232.4 |
| Current borrowings | 13 | 75.9 | -0.6 | 129.8 | -59.1 | 145.9 |
| Non-current borrowings | 13 | 251.5 | 0.0 | -125.0 | 299.6 | 426.1 |
| **Total** | | **1,557.8** | **-45.6** | **259.7** | **32.5** | **1,804.4** |

### T.86 RECONCILIATION OF FINANCIAL LIABILITIES TO THE CASH INFLOW/ OUTFLOW FROM FINANCING ACTIVITIES 2022 (in € million)

| | | | Non-cash changes | | | |
|---|---|---|---|---|---|---|
| | Notes | Balance 01/01/2022 | Currency changes | Other | Cash changes | Balance 31/12/2022 |
| Financial liabilities | | | | | | |
| Lease liabilities | 10 | 1,023.4 | 12.1 | 385.0 | -190.0 | 1,230.4 |
| Current borrowings | 13 | 68.5 | -1.1 | 0.0 | 8.4 | 75.9 |
| Non-current borrowings | 13 | 311.5 | 0.0 | 0.0 | -60.0 | 251.5 |
| **Total** | | **1,403.4** | **11.1** | **385.0** | **-241.6** | **1,557.8** |

The lease liabilities of € 1,232.4 million (previous year: € 1,230.4 million) break down into current lease liabilities of € 212.4 million (previous year: € 200.2 million) and non-current lease liabilities of € 1,020.0 million (previous year: € 1,030.3 million).

## 26. OTHER FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

### OTHER FINANCIAL OBLIGATIONS

The Company has other financial obligations associated with license, promotional and advertising agreements, which give rise to the following financial obligations as of the balance sheet date:

### T.87 COMMITMENTS FROM LICENSE, PROMOTIONAL AND ADVERTISING AGREEMENTS (in € million)

| | 2023 | 2022 |
|---|---|---|
| From license, promotional and advertising agreements: | | |
| Due within one year | 402.4 | 348.6 |
| Due between one and five years | 1,203.5 | 781.1 |
| Due after five years | 314.2 | 130.8 |
| **Total** | **1,920.2** | **1,260.5** |

As is customary in the industry, the promotional and advertising agreements provide for additional payments on reaching pre-defined goals (e.g. medals, championships). These are contractually agreed, but by their nature cannot be predicted exactly in terms of their timing and amount.

In addition, there are other financial obligations totalling € 246.5 million, of which, € 146.5 million relate to the years from 2025. These include service agreements of € 234.2 million as well as other obligations of € 12.3 million.

### CONTINGENT LIABILITIES

Individual PUMA companies are involved in legal disputes arising from normal operating activities, e.g. relating to intellectual property rights and employee matters. If an outflow of resources from these legal disputes is classified as probable and the amount of the obligation can be reliably estimated, the risks arising from these legal disputes are included in the other provisions. However, if the probability of occurrence is classified as low, these legal disputes are recognised as contingent liabilities, which are estimated at € 0.8 million in this financial year (previous year: € 3.1 million). Contingent liabilities also exist due to uncertainties in the appraisal of the facts by the tax and customs authorities in India. Based on external reports, the Management currently assumes that the receivables of Indian tax and customs authorities will not result in any cash outflow. Overall, the PUMA Management considers that the impact of the total of the contingent liabilities on the net assets, financial position and results of operations of the Company is immaterial.

## 27. COMPENSATION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

Disclosures pursuant to Section 314(1) 6 HGB (German Commercial Code [Handelsgesetzbuch]) in conjunction with Section 315e HGB.

### COMPENSATION OF THE MEMBERS OF THE MANAGEMENT BOARD

The total compensation of the members of the Management Board in financial year 2023 was € 10.3 million (previous year: € 11.9 million).

The total remuneration of the Management Board includes the share-based remuneration granted for the financial year with a fair value of € 4.2 million (previous year: € 1.7 million) and 81,279 performance shares were issued (previous year: 16,457). The total remuneration for the previous year also includes the issue of 30,968 virtual shares of the PUMA Monetary Unit Plan with a fair value of € 3.0 million.

### TOTAL COMPENSATION OF FORMER MEMBERS OF THE MANAGEMENT BOARD

The total remuneration of former members of the Management Board and their surviving dependents amounted to € 2023 million in financial year 0.7 (previous year: € 0.7 million).

In addition, there were defined benefit pension obligations to former members of the Management Board and their widows/widowers amounting to € 2.4 million (previous year: € 2.5 million) as well as defined contribution plans from deferred compensation of former members of the Management Board and Managing Directors amounting to € 47.2 million (previous year: € 17.3 million). Both items are recognised accordingly within pension provisions to the extent they were not offset against plan assets of an equal amount.

### COMPENSATION OF THE SUPERVISORY BOARD

The compensation paid to the Supervisory Board comprised fixed compensation and additional compensation for committee activities, and amounted to a total of € 0.4 million (previous year: € 0.2 million).

## 28. DISCLOSURES RELATED TO NON-CONTROLLING INTERESTS

The summarised financial information about subsidiaries of the Group in which non-controlling interests exist is presented below. This financial information relates to all companies with non-controlling interests in which the identical non-controlling shareholder holds an interest. The figures represent the amounts before intercompany eliminations.

Evaluation of the control of companies with non-controlling interests:

The Group holds a 51% capital share in PUMA United North America LLC, PUMA United Canada ULC and Janed Canada LLC (inactive company). With these companies, there are profit-sharing arrangements in place which differ from the capital share for the benefit of the respective identical non-controlling shareholder. PUMA receives higher license fees in exchange.

In addition, there is a shareholding in the capital and the result, amounting to 70%, in the company PUMA United Aviation North America LLC.

The contractual agreements with these companies respectively provide PUMA with a majority of the voting rights at the shareholder meetings, and thus the right of disposal regarding these companies. PUMA is exposed to fluctuating returns from the sales-based license fees and from variable earnings. The Group also controls the key activities of these companies. The companies are accordingly included in the consolidated financial statements as subsidiaries with full consolidation with recognition of non-controlling interests.

The non-controlling interests existing on the balance sheet date relate to PUMA United North America LLC, PUMA United Canada ULC, Janed Canada, LLC (inactive) and PUMA United Aviation North America LLC at € 28.9 million (previous year: € 67.1 million).

The following tables show a summary of the financial information for subsidiaries with non-controlling interests:

### ↗ T.88 **ASSETS AND LIABILITIES** (in € million)

| | 2023 | 2022 |
|---|---|---|
| Current assets | 112.9 | 105.8 |
| Non-current assets | 8.6 | 10.3 |
| Current liabilities | 85.3 | 40.4 |
| Non-current liabilities | 0.0 | 0.0 |
| Net assets | 36.3 | 75.7 |
| Net assets attributable to non-controlling interests | 28.9 | 67.1 |

### T.89 **INCOME STATEMENT** (in € million)

| | 2023 | 2022 |
|---|---|---|
| Sales | 411.8 | 452.2 |
| Net income | 56.8 | 72.0 |
| Profit attributable to non-controlling interests | 55.7 | 70.9 |
| Other comprehensive income of non-controlling interests | 4.3 | 4.1 |
| Total comprehensive income of non-controlling interests | 54.2 | 75.0 |
| Dividends paid to non-controlling interests | 92.4 | 73.3 |

### T.90 **CASH** (in € million)

| | 2023 | 2022 |
|---|---|---|
| Net cash from operating activities | 101.8 | 79.4 |
| Net cash used in investing activities | -0.3 | 0.0 |
| Net cash used in financing activities | -101.4 | -80.1 |
| Changes in cash and cash equivalents | 0.0 | -0.4 |

## 29. RELATED PARTY RELATIONSHIPS

In accordance with IAS 24, relationships to related companies and persons that control or are controlled by the PUMA Group must be reported. All natural persons and companies that can be controlled by PUMA, that can exercise relevant control over the PUMA Group or that are under the relevant control of another related party of the PUMA Group are considered to be related companies or persons within the meaning of IAS 24.

As of 31 December 2023, there was one shareholding in PUMA SE that exceeded 20% of the voting rights. This is held by the Pinault family via several companies that the family controls (in order of proximity to the Pinault family: Financière Pinault S.C.A., Artémis S.A.S. and Kering S.A.). The share of Kering S.A. in PUMA SE amounted to 1.47% of the share capital at 18 September 2023. Combined, the shareholdings of Artémis S.A.S. and Kering S.A. amounted to 29.99% of the share capital of PUMA SE at 18 September 2023. Since Artémis S.A.S. and Kering S.A. hold more than 20% of the voting rights in PUMA SE, they are presumed to have significant influence according to IAS 28.5 and IAS 28.6. They and all other companies directly or indirectly controlled by Financière Pinault S.C.A. that are not included in the consolidated financial statements of PUMA SE are considered as related parties in the following.

In addition, the disclosure obligation pursuant to IAS 24 extends to transactions with associated companies as well as transactions with other related companies and persons.

Transactions with related companies and persons largely concern sales of goods and licensing agreements.

The following overview illustrates the scope of the business relationships:

## ↗ T.91 DELIVERIES AND SERVICES RENDERED AND RECEIVED (in € million)

| | Deliveries and services rendered | | Deliveries and services received | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Companies included in the Artémis Group | 2.1 | 1.7 | 0.0 | 0.1 |
| Other related companies and persons | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **2.1** | **1.7** | **0.0** | **0.1** |

## ↗ T.92 NET RECEIVABLES AND LIABILITIES (in € million)

| | Net receivables from | | Liabilities to | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Companies included in the Artémis Group | 0.3 | 0.3 | 0.0 | 0.0 |
| Other related companies and persons | 0.0 | 0.0 | 0.0 | 0.0 |
| **Total** | **0.3** | **0.3** | **0.0** | **0.0** |

Receivables from related companies and persons are not subject to value adjustments.

Classification of the remuneration of key management personnel in accordance with IAS 24.17:

The members of key management personnel in accordance with IAS 24 are the Management Board and the Supervisory Board. These are counted as related parties.

In financial year 2023, the remuneration of the members of the Management Board of PUMA SE for short-term benefits amounted to € 6.1 million (previous year: € 7.2 million), for termination benefits to € 0.0 million (previous year: € 0.0 million) and the share-based payment € 1.4 million (previous year: € -0.5 million). Furthermore, just like in the previous year, no remuneration was granted in the form of other long-term benefits or in the form of post-employment benefits in the reporting year. Accordingly, the total expenditure for the reporting year amounted to € 7.5 million (previous year: € 6.7 million).

In financial year 2023, the remuneration of the members of the Supervisory Board of PUMA SE for short-term benefits amounted to € 0.4 million (previous year: € 0.2 million).

## 30. CORPORATE GOVERNANCE

In November 2023, the Management Board and the Supervisory Board submitted the required compliance declaration with respect to the recommendations issued by the Government Commission German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz – AktG) and published it on the Company's website (**https://about.PUMA.com**). Please also refer to the corporate governance statement in accordance with section 289f and section 315d HGB (Handelsgesetzbuch, German Commercial Code) in the Combined Management Report.

## 31. EVENTS AFTER THE BALANCE SHEET DATE

No events with any significant effect on the net assets, financial position and results of operations of the PUMA Group occurred after the balance sheet date.

## 32. DATE OF RELEASE

The Management Board of PUMA SE released the consolidated financial statements on 7 February 2024 for distribution to the Supervisory Board. The task of the Supervisory Board is to review the consolidated financial statements and state whether it approves them.

Herzogenaurach, 7 February 2024

The Management Board

| | | | |
|---|---|---|---|
| Freundt | Hinterseher | Descours | Valdes |

This is a translation of the German version. In case of doubt, the German version shall apply.

# APPENDIX 1 OF THE CONSOLIDATED FINANCIAL STATEMENT

**MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD AND THEIR MANDATES STATUS: 31 DECEMBER 2023**

## MEMBERS OF THE MANAGEMENT BOARD AND THEIR MANDATES

**Arne Freundt**
Chief Executive Officer (CEO)

**Hubert Hinterseher**
Chief Financial Officer (CFO)

**Anne-Laure Descours**
Chief Sourcing Officer (CSO)

**Maria Valdes (since 1 January 2023)**
Chief Product Officer (CPO)

## MEMBERS OF THE SUPERVISORY BOARD AND THEIR MANDATES

**Héloïse Temple-Boyer** (first elected on 18 April 2019)
**(Chair)**
Paris, France

Deputy CEO of ARTÉMIS S.A.S., Paris/France

Membership in other statutory supervisory boards in Germany: None

Membership in comparable domestic and foreign controlling bodies of commercial enterprises[2]

- Kering S.A., Paris/France
- Christie's International Plc., London/ United Kingdom
- CAA LL.C., Los Angeles/USA
- Giambattista Valli S.A.S., Paris/France
- Société d'exploitation de l'hebdomadaire le Point S.A., Paris/France
- Pinault Collection, Paris/France

[2] All mandates are mandates within the ARTÈMIS/KERING-Group. Only Kering S.A. is a listed company.

**Thore Ohlsson** (first elected on 21 May 1993)
**(Deputy Chair)**
Falsterbo, Sweden

President of Elimexo AB, Falsterbo/Sweden

Membership in other statutory supervisory boards in Germany: None

Membership in comparable domestic and foreign controlling bodies of commercial enterprises:

- Tomas Frick AB, Vellinge/Sweden
- Orrefors Kosta Boda AB, Kosta/Sweden
- Infinitive AB, Malmö/Sweden
- Friskvårdcenter AB, Malmö/Sweden
- Totestories AB, Vellinge/Sweden

**Jean-Marc Duplaix** (first elected on 24 May 2023)
Paris, France

Deputy CEO of Kering S.A., Paris/France

Membership in other statutory supervisory boards in Germany: None

Membership in comparable domestic and foreign controlling bodies of commercial enterprises[3]:

- Balenciaga S.A., Paris/Frankreich

**Jean-François Palus** (first elected on 16 June 2007, until 24 May 2023)
Paris, France

Managing Director of Guccio Gucci S.p.A., Florence/Italy

Membership in other statutory supervisory boards in Germany: None

Membership in comparable domestic and foreign controlling bodies of commercial enterprises:

- Financière Pinault S.C.A., Paris/France
- Sonova Management S.A.S., Paris/France
- Bureau Veritas S.A., Paris/France

**Fiona May** (first elected on 18 April 2019)
Calenzano, Italy

Independent Management Consultant

Membership in other statutory supervisory boards in Germany: None

Membership in comparable domestic and foreign controlling bodies of commercial enterprises: None

[3] The mandate is a mandate within the Kering Group. Kering S.A. is a listed company. Balenciaga S.A. is not listed

**Martin Köppel** (first elected on 25 July 2011)
**(Employees' Representative)**
Adelsdorf, Germany

Chair of the Works Council of PUMA SE

Membership in other statutory supervisory boards in Germany: None

Membership in comparable domestic and foreign controlling bodies of commercial enterprises: None

**Bernd Illig** (first elected on 9 July 2018)
**(Employees' Representative)**
Bechhofen, Germany

Teamhead IT Endpoint Management of PUMA SE

Membership in other statutory supervisory boards in Germany: None

Membership in comparable domestic and foreign controlling bodies of commercial enterprises: None

## SUPERVISORY BOARD COMMITTEES

**Personnel Committee**
- Héloïse Temple-Boyer (Chair)
- Fiona May
- Martin Köppel

**Audit Committee**
- Jean-Marc Duplaix (Chair since 24 May 2023)
- Thore Ohlsson (Chair until 24 May 2023)
- Héloïse Temple-Boyer (until 24 May 2023)
- Bernd Illig

**Nominating Committee**
- Héloïse Temple-Boyer (Chair)
- Jean-François Palus (until 24 May 2023)
- Fiona May
- Jean-Marc Duplaix (since 24 May 2023)

**Sustainability Committee**
- Fiona May (Chair)
- Héloïse Temple-Boyer
- Martin Köppel

# DECLARATION BY THE LEGAL REPRESENTATIVES

We state to the best of our knowledge that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the applicable accounting principles, and that the Group management report, which is combined with the Management report of PUMA SE for the financial year 2023, provides a true and fair view of the course of the development and performance of the business and the position of the Group, together with a description of the principal risks and opportunities associated with the expected performance of the Group.

Herzogenaurach, 7 February 2024

The Management Board

Freundt Hinterseher Descours Valdes

# INDEPENDENT AUDITOR'S REPORT

**For the Consolidated Financial Statements and Group Management Report we have issued an unqualified auditor's report. The English language text below is a translation of the auditor's report. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.**

To PUMA SE, Herzogenaurach

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

### OPINIONS

We have audited the consolidated financial statements of PUMA SE, Herzogenaurach, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the management report of the Company and the Group (combined management report) of PUMA SE for the financial year from January 1 to December 31, 2023.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. In accordance with German legal requirements, we have not audited the cross-references and the information to which the cross-references refer.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2023, and of its financial performance for the financial year from January 1 to December 31, 2023, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report. The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. Our audit opinion does not extend to the cross-references and the information to which the cross-references refer.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

## BASIS FOR THE OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

## KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

**Revenue recognition cut-off for wholesale customers**
For information on the accounting policies applied, please refer to Sections 2 and 19 in the notes to the consolidated financial statements.

THE FINANCIAL STATEMENT RISK
The consolidated financial statements of PUMA SE for financial year 2023 report revenue of EUR 8,601.7 million. Revenue includes revenue of EUR 6,468.6 million from the sale of goods to wholesale customers.

The Group recognizes revenue from the sale of goods to wholesale customers when it fulfils a performance obligation through the transfer of a promised asset to a customer. An asset is transferred when (or as) the customer obtains control of that asset. In accordance with the transfer of control, revenue from wholesale customers is recognized at a point in time in the amount to which the Group is entitled.

The Management Board of PUMA SE has defined the criteria for the recognition of revenue at a point in time in a group-wide accounting policy and implemented processes for correct recognition and cut-off.

In the final weeks prior to the reporting date, a range of transactions with wholesale customers take place with individual contractual agreements on the transfer of risk. In addition, there are internally defined and externally communicated revenue targets for the financial year, which represent a key benchmark for measuring corporate success.

There is the risk for the consolidated financial statements that revenue in the reporting year is overstated due to it being recognized in the wrong period, meaning that it is not recorded on an accrual basis.

OUR AUDIT APPROACH

In order to audit revenue recognition cut-off for wholesale customers, we assessed the design, setup and effectiveness of the internal controls relating to outgoing goods and the acceptance of goods and invoicing, in particular the determination and verification of the correct transfer of control. In addition, we reviewed the presentation of revenue recognition in the group-wide accounting policy to ensure compliance with IFRS 15.

Furthermore, we assessed revenue recognition cut-off for wholesale customers by reconciling invoices with the related orders, underlying contracts and external delivery records. This was based on revenue recognized at the end of December 2023 and selected using a mathematical/statistical procedure.

OUR OBSERVATIONS

PUMA SE's approach to revenue recognition cut-off with wholesale customers is appropriate.

**Impairment testing of right-of-use assets for retail stores**

For information on the accounting policies applied, please refer to Sections 2 and 10 in the notes to the consolidated financial statements.

THE FINANCIAL STATEMENT RISK

As of December 31, 2023, right-of-use assets of EUR 1,087.7 million are recognized in the consolidated financial statements of PUMA SE. A significant portion of the right-of-use assets is attributable to retail stores (EUR 464.2 million). Right-of-use assets amount to 16.4% of total assets and thus have a material influence on the Company's net assets.

Owing to the large number of leases and the resulting transactions, the Company has set up group-wide processes and controls for the measurement of leases.

Right-of-use assets for retail stores are tested for impairment at the level of the individual retail stores as cash-generating units. The impairment test compares the carrying amount of the cash-generating unit with its recoverable amount. The Company determines the recoverable amount for the retail stores indicating potential impairment by using the discounted cash flow method. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized for the right-of-use asset of the cash-generating unit. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Impairment testing of right-of-use assets for retail stores is complex and based on a range of assumptions that require judgment. Among others, these include the business and earnings performance of the retail store for the next year, the assumed growth rates, the applied discount rate and the use of extension options. The Company recognized impairment losses in the amount of EUR 5.7 million for right-of-use assets for retail stores during the financial year.

In particular owing to the judgments for measuring right-of-use assets for retail stores, there is the risk for the consolidated financial statements that an impairment of right-of-use assets may not be identified.

OUR AUDIT APPROACH
Using the information obtained during our audit, we assessed whether there were any indicators of impairment for right-of-use assets for retail stores. In doing so, we thoroughly examined the Company's approach to determining the need to recognize impairment losses and, based on the information obtained in the course of our audit, assessed whether there were any indications of impairment that had not been identified by the Company.

With the involvement of our valuation specialists, for a sample of retail stores selected based on risk, we then assessed (among other things) the appropriateness of the Company's calculation method. For this purpose we discussed the expected business and earnings development for the retail stores selected in this sample and the assumed growth rates with those responsible for planning. Where accounting judgments were made for determining the lease term, we examined these judgments to determine whether the underlying assumptions were comprehensible in light of the prevailing market conditions and risks in the industry.

We also assessed the accuracy of the Company's previous forecasts for the affected right-of-use assets by comparing the budgets from the previous financial year for the selected retail stores in the sample with the actual results, and we analyzed any deviations. Further, we compared the assumptions and data underlying the discount rates with our own assumptions and publicly available data. We also assessed whether the calculation method for the discount rate was appropriate.

We verified the computational accuracy of the carrying amount of the right-of-use assets determined by PUMA SE for the retail stores included in the sample.

In order to take forecast uncertainty into account, we examined the impact of potential changes in the discount rate, earnings performance and long-term growth rates on the value in use by calculating alternative scenarios for the selected sample and comparing these with the values stated by the Company (sensitivity analysis).

OUR OBSERVATIONS
The calculation method used for impairment testing of right-of-use assets for retail stores is appropriate and in line with the accounting policies to be applied.

The Company's assumptions and data used for the measurement of the right-of-use assets for retail stores are appropriate.

## OTHER INFORMATION

The Management Board and/or the Supervisory Board is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the Company's and Group's separate combined non-financial report, which is referred to in the combined management report, and
- the combined corporate governance statement for the Company and Group, which is included in a separate section of the combined management report, and
- information extraneous to combined management reports and marked as unaudited.

The other information also includes the annual report, which is expected to be made available to us after the date of this independent auditor's report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

### RESPONSIBILITIES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The Management Board is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the Management Board is responsible for such internal control as it has determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Management Board is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Management Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

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 whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 and this combined management report.

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 and of the combined management report, 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 opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report 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 these systems.
- Evaluate the appropriateness of accounting policies used by the Management Board and the reasonableness of estimates made by the Management Board and related disclosures.
- Conclude on the appropriateness of the Management Board's 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 the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able 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 present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Management Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Management Board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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 the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

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 auditor's report unless law or regulation precludes public disclosure about the matter.

## OTHER LEGAL AND REGULATORY REQUIREMENTS

### REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH SECTION 317 (3A) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file „PUMA KA 2023.zip" (SHA256-Hashwert: 3d9c82efdcc3657b21661fc4c90debfbfafac65be5b3f152055611b47a544d9b) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2023, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1) (09.2022).

Owing to the conversion process selected by the Company concerning the information in the notes in iXBRL format (block tagging), the consolidated financial statements converted into the ESEF format are not machine-readable in a fully meaningful respect. There is significant legal uncertainty regarding the legal conformity of the Management Board's interpretation that meaningful machine-readability of the structured information in the notes is not explicitly required by Commission Delegated Regulation (EU) 2019/815 for the block tagging of the notes, which thus also constitutes an inherent uncertainty of our audit.

The Company's Management Board is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's Management Board is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

### FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor at the Annual General Meeting on May 24, 2023. We were engaged by the Supervisory Board on November 21, 2023. We have been the group auditor of PUMA SE without interruption since financial year 2022.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

## OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

## GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Matthias Koeplin.

Nuremberg, February 9, 2024

**KPMG AG**

Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| Koeplin<br>Wirtschaftsprüfer<br>[German Public Auditor] | Behrendt<br>Wirtschaftsprüferin<br>[German Public Auditor] |

# REPORT BY THE SUPERVISORY BOARD


**DEAR SHAREHOLDERS,**

In a transition year for our industry, characterized by a challenging market environment, geopolitical conflict, macroeconomic headwinds and currency volatility, the PUMA Group sustained its strong momentum, gained market shares and delivered a profitability fully in line with its outlook.

Arne Freundt, who took over as Chief Executive Officer in late 2022, together with Maria Valdes as Chief Product Officer, Anne-Laure Descours as Chief Sourcing Officer and Hubert Hinterseher as Chief Financial Officer, started to build a foundation for the future growth of the company with the strategic priorities of elevating the brand, increasing product excellence, and improving the distribution quality. Within that strategic framework, PUMA put a special focus on the important US and China markets. As the Supervisory Board, we are convinced that these are the right priorities to ensure not only sustainable but also more profitable growth. The progress that was made in 2023 made us confident that the PUMA Management team is on the right track. We are particularly pleased to see that the Management Board acts as a team and that this team spirit not only motivates employees but is also recognized and appreciated by external stakeholders. We are also proud of the progress PUMA has made on its sustainability journey. Making our supply chains fair and sustainable has always been a matter close to PUMA's heart and we want to remain one of the leading brands in the industry. The topic will also have a strong influence on the work of the Supervisory Board in the future, which is why we are striving for further professionalization in this area.

Another focus of the Supervisory Board's work was resolving the unfavourable voting results at the 2023 Annual General Meeting and deriving follow-up measures. For 2024, the Supervisory Board set itself the goal of further professionalizing its own work and strengthening the diversity concept of the Supervisory Board. Especially, increasing independence at the Supervisory Board is our top priority going forward. The Supervisory Board decided to actively engage with some of the Company's largest investors and conduct a Governance Roadshow for the first time. In these conversations, I received valuable feedback which will shape the work of the Supervisory Board in 2024. For example, we will propose to the Annual General Meeting in 2024 that the number of Supervisory Board members will be increased from the current six to seven. After Thore Ohlsson has handed over the chair of the Audit Committee to Jean-Marc Duplaix and ensured a smooth transition, he will resign from PUMA's Supervisory Board, effective May 22, 2024, the day of PUMA's Annual General Meeting. Jean-Marc Duplaix is considered independent by the Supervisory Board because his function as Deputy CEO of Kering S.A. does not impair his independence as Kering S.A. holds only 1.47% of PUMA's share capital and Artémis S.A.S. holds 42.2% of Kering's share capital according to Kering's 2023 Annual Financial Report. Until Thore's resignation becomes effective, he continues to contribute his extensive knowledge and many years of experience as a member of the Audit Committee for the benefit of PUMA with great commitment. As a consequence, there will be two new vacancies on the Supervisory Board that need to be filled. To find the right candidates, the Supervisory Board has assigned the search to a leading global executive search consulting company. The search will focus on profiles with expertise in the areas of sustainability and retail and will comply with the required independence by investors. With this step, the Supervisory Board aims to strengthen the structure of the Board, both in terms of skills and independence. A particular effort will be made in the next years to ensure that the chair of the Personnel Committee, who is in charge of remuneration topics, of the Nominating Committee and of the Audit Committee as well as the majority of the members of those Committees, are independent.

At the last Annual General Meeting, the majority of our shareholders present voted against the proposed remuneration report. We have taken these voting results on the remuneration report very seriously and I am addressing them in the introduction to the remuneration report (see **https://about.puma.com/en** under Investor Relations/Corporate Governance). Following the feedback that emerged during the engagement with the investors regarding the remuneration system, we are taking steps to review the remuneration system in the course of the 2024 financial year and will present a revised remuneration system to the 2025 Annual General Meeting for approval.

Although the current share price performance is not in line with our and your expectations, I am convinced that it does neither reflect the actual value of our company nor the good operating performance. The Supervisory Board and the Management Board anticipate that the current challenging market environment is temporary and are confident that the long-term prospects of the company based on its strong brand, strong product, strong partnerships and strong team will lead to a sustainable growth.

The Supervisory Board would like to thank PUMA's Management Board, Leadership Team and the entire PUMA Family for their dedication, commitment and hard work in 2023.

**SUPERVISORY BOARD MEETINGS**

The meetings of the Supervisory Board and its committees generally take place in-person with the option of participation via a video link. Meetings are held exclusively as video conferences in exceptional circumstances. In 2023 the Supervisory Board convened to four regular meetings. In these meetings, it advised the Management Board on the management of the company and continuously supervised its conduct of business. It discussed with the Management Board on the Company's business policies, all relevant aspects of corporate development and corporate planning, the Company's economic situation, including its net assets, financial position and results of operations, the adequacy of capital resources and all key decisions for the Group. The Management Board informed the Supervisory Board regularly, comprehensively, and in a timely manner in written and verbal form about the implementation of all decisions and about all major business transactions. The members of the Management Board took part in meetings of the Supervisory Board and its committees; the Supervisory Board also met regularly without the Management Board.

Furthermore, in 2023 one constituent meeting of the Supervisory Board took place after the election of the new Supervisory Board by the Annual General Meeting. Several matters were decided via circular resolutions using electronic means of communication. All members participated in drawing up the resolutions. Whenever necessary, representatives of the shareholders and employees held separate preliminary discussions prior to the meetings.

| Plenary Supervisory Board | Attendance at meetings (referring to regular and extraordinary meetings) | Attendance in % |
|---|---|---|
| Héloïse Temple-Boyer | 5/5 | 100 |
| Thore Ohlsson | 5/5 | 100 |
| Jean-François Palus (until 24 May, 2023) | 2/2 | 100 |
| Jean-Marc Duplaix (since 24 May, 2023) | 3/3 | 100 |
| Fiona May | 5/5 | 100 |
| Martin Köppel | 5/5 | 100 |
| Bernd Illig | 5/5 | 100 |

The attendance of the members of the Supervisory Board at committee meetings was 100% for all members as well.

The Supervisory Board discussed in detail all of the Company's key business transactions, based on the reports by the Management Board and the Committees, and presented its own ideas. The Management Board provided the Supervisory Board with detailed information on any deviations of the business performance from the budgeted figures, both in writing and orally. The Supervisory Board verified these explanations using the supporting documents, which were always submitted in appropriate time before the meetings. The Supervisory Board was involved in all key decisions at an early stage. In addition, the Chair of the Supervisory Board maintained, and continues to maintain, regular verbal or written contact with the CEO and keeps herself informed of all major developments. Overall, these discussions did not give any indication that the Management Board was managing the Group in anything other than a lawful and proper manner.

The Supervisory Board members took part, on their own initiative, in the educational and training measures necessary for the performance of their duties. The Company supports the Supervisory Board members in their training activities, for example by having the Legal Department regularly prepare changes in the legal framework for the Supervisory Board and report about them in the meetings. In 2023, the Supervisory Board received an update on the German Supply Chain Akt ("Lieferkettensorgfaltspflichtengesetz", LkSG) and the Corporate Sustainability Reporting Directive (CSRD). There is an established onboarding process to familiarize new Supervisory Board members with the PUMA business model, group structures and special topics.

## MAIN ADVISORY FOCUS

In the 2023 financial year, the main focus was on the following issues: review and approval of the 2022 consolidated and annual financial statements and the 2022 non-financial report, dividend proposal, setting the agenda for the Annual General Meeting on May 24, 2023, realization of personnel adjustments on the Management Board (in particular appointment of Maria Valdes as member of the Management Board (Chief Product Officer (CPO)) from January 1, 2023 and extension of the contract of Hubert Hinterseher as Chief Financial Officer (CFO)), follow-up of the new strategy of the Management Board regarding elevating the brand and growing the market share in the US and China, re-organization of the marketing organization, current business and revenue development, markets and trends, financial position of the Group, corporate and budget planning 2024 as well as medium-term planning, including investments, further improvement of the compliance management and the risk management and internal control system as well as material litigation in the Group. In addition, the Supervisory Board regularly dealt with the development and implementation of sustainability topics.

As every year, the Personnel Committee and the Supervisory Board determined the degree of achievement of the targets for the individual Management Board members with regard to 2022. The Supervisory Board decided on the individual targets for the variable Management Board remuneration for the 2023 financial year upon recommendation of the Personnel Committee.

## CONFLICTS OF INTEREST

The members of the Supervisory Board are required to disclose to its Chair any conflicts of interest without undue delay. In the past year, no such disclosures were made.

## COMMITTEES

The Supervisory Board has established four committees to perform its duties: the Personnel Committee, the Audit Committee, the Nominating Committee and the Sustainability Committee. The Personnel Committee, the Audit Committee and the Sustainability Committee each comprise two shareholder representatives and one employee representative. The Nominating Committee is composed only of shareholder representatives. The composition of the committees can be found in the notes to the consolidated financial statements. The Supervisory Board receives regular reports on their work.

## PERSONNEL COMMITTEE

The Personnel Committee has the task of preparing the conclusion and amendment of employment contracts with the members of the Management Board, reviewing the remuneration report and establishing policies for human resources and personnel development. It met to one regular meeting in 2023, decided on the target achievement for the individual Management Board members and set the targets for 2023. In addition, the approval of the LTI programs 2023 were the focus of the discussions. Corresponding recommendations for resolutions were made to the Supervisory Board.

| Personnel Committee | Attendance at meetings | Attendance in % |
|---|---|---|
| Héloïse Temple-Boyer (Chair) | 1/1 | 100 |
| Fiona May | 1/1 | 100 |
| Martin Köppel | 1/1 | 100 |

## AUDIT COMMITTEE

The Audit Committee held four regular meetings in the financial year 2023. In particular, the Audit Committee is responsible for the review of the accounting, particularly comprising the consolidated financial statements and the group management report, group half year report, interim financial information and the single entity financial statements in accordance with the German Commercial Code (HGB). It is furthermore responsible for monitoring the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, compliance and the statutory audit of the financial statements, with particular regard to the process of selecting an auditor. The Audit Committee is also responsible for conducting the selection process of the auditor. In addition, the Audit Committee monitors the independence of the auditor and ensures that the non-audit services of the auditor commissioned by the Management Board do not give rise to any grounds for disqualification or partiality or any threat to independence. The Audit Committee issues the audit mandate on behalf of the Supervisory Board to the auditor elected by the general meeting, determines the audit areas of the audit, monitors the quality of the audit and the services additionally provided by the auditor and agrees the fee with the auditor. Heads of the corporate functions were also available for reports and questions on individual agenda items at the committee meetings. The Audit Committee meets regularly with the auditor, also without the Management Board.

| Audit Committee | Attendance at meetings (referring to regular and extraordinary meetings) | Attendance in % |
|---|---|---|
| Thore Ohlsson (Chair until 24 May, 2023) | 4//4 | 100 |
| Héloïse Temple-Boyer (until 24 May, 2023) | 2/2 | 100 |
| Jean-Marc Duplaix (since 24 May, 2023, Chair) | 2/2 | 100 |
| Bernd Illig | 4/4 | 100 |

## NOMINATING COMMITTEE

The Nominating Committee has the task of proposing suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting. It held two meetings in the last financial year.

| Nominating Committee | Attendance at meetings (referring to regular and extraordinary meetings) | Attendance in % |
|---|---|---|
| Héloïse Temple-Boyer (Chair) | 2/2 | 100 |
| Fiona May | 2/2 | 100 |
| Jean-François Palus (until 24 May, 2023) | 1/1 | 100 |
| Jean-Marc Duplaix (since 24 May, 2023) | 1/1 | 100 |

In 2024, the main focus of the Nominating Committees's work will lie on the succession planning for Thore Ohlsson and on finding the right candidate for the expansion of the Supervisory Board.

## SUSTAINABILITY COMMITTEE

The Sustainability Committee met once in the 2023 financial year to discuss the company's sustainability strategies. The focus was emphasized on the evaluation of the "Conference of the People," sustainability-related projects within the company and relevant, upcoming legislative projects. The Sustainability Committee consists of three members.

| Sustainability Committee | Attendance at meetings (referring to regular and extraordinary meetings) | Attendance in % |
|---|---|---|
| Fiona May (Chair) | 1/1 | 100 |
| Héloïse Temple-Boyer | 1/1 | 100 |
| Martin Köppel | 1/1 | 100 |

## CORPORATE GOVERNANCE

As in previous years, the Supervisory Board addressed current developments in the financial year 2023 regarding the German Corporate Governance Code in the version dated April 28, 2022 (effective as of 27 June 2022) (GCGC). The GCGC contains essential statutory regulations and recommendations for the management and supervision of listed companies and standards for responsible corporate governance. The corporate governance standards have long been a part of the corporate routine.

Pursuant to Principle 23 of the GCGC, the Supervisory Board reports on corporate governance in the Corporate Governance Statement. The Company satisfies all requirements of the GCGC, to the extent required by it. The Statement of Compliance of November 9, 2023 is available to our shareholders at any time on the

Company's website under **https://about.PUMA.com/en/investor-relations/corporate-governance** at STATEMENT OF COMPLIANCE.

**ANNUAL FINANCIAL STATEMENTS ADOPTED**

The annual financial statements for PUMA SE prepared by the Management Board in accordance with the German Commercial Code (Handelsgesetzbuch/HGB), the consolidated financial statements for PUMA group prepared in accordance with Section 315a HGB on the basis of the International Financial Reporting Standards (IFRS) and the combined management report for PUMA SE and the PUMA Group, each for the financial year 2023, have been audited by the statutory auditors, KPMG AG Wirtschaftsprüfungsgesellschaft, Nuremberg, who were appointed at the Annual General Meeting on May 24, 2023 and commissioned by the Supervisory Board to audit the annual financial statements and the consolidated financial statements and have been given an unqualified auditor's opinion. The lead auditor on the KPMG team is Matthias Koeplin and he has been assigned the role since 2022. PUMA has not paid non-audit related fees in excess of audit related fees to its auditor.

In their report, the statutory auditors conclude that PUMA's institutionalized risk management system, in accordance with Section 91(2) of the German Stock Corporation Act (Aktiengesetz/AktG), is capable of detecting at an early stage and countering any developments that might jeopardize the continuity of the Company as a going concern. The Supervisory Board has been updated by the Management Board regularly on all relevant risks in this regard, in particular its assessments of market and procurement risks, financial risks (including currency risks) and organizational risks.

The accounting records, the audit reports from the statutory auditors and the Management Board's and Supervisory Board's recommendation on the appropriation of net profit were made available to all members of the Supervisory Board in a timely manner. At the meeting of the Audit Committee on February 26, 2024 and at the subsequent Supervisory Board meeting held on the same day, the statutory auditors reported on the key results of their audit and discussed them in detail with the Management Board and the members of the Supervisory Board. No discrepancies were detected.

The Supervisory Board reviewed in detail the annual financial statements, the combined management report for PUMA SE and the PUMA Group, the Management Board's and the Supervisory Board's recommendation on the appropriation of net profit and the consolidated financial statements and raised no objections. In accordance with the recommendation of the Audit Committee, the Supervisory Board agreed with the results of the audit of both statements and approved the annual financial statements of PUMA SE and the consolidated financial statements for the financial year 2023. The 2023 annual financial statements have thus been adopted.

The Management Board and the Supervisory Board resolved to propose to the Annual General Meeting a distribution of a dividend of € 0.82 per dividend entitled share to the shareholders for the financial year 2023. In this context, the liquidity situation of the Company, the financing and the effects on the capital market were discussed. The payout is conditional to an overall sound macroeconomic environment. A total amount of around € 122.9 million will be paid out in dividends from PUMA SE's retained earnings. The remaining retained earnings of around € 363.6 million will be carried forward.

In its meeting on February 26, 2024, the Supervisory Board also approved the non-financial report in accordance with §§ 315c in conjunction with §§ 289c to 289e of the German Commercial Code (HGB).

**THANKS**

We would like to express our gratitude and recognition to the Management Board, the management teams at the Group companies, the Works Council and all our employees for their hard work and their outstanding cooperation in 2023. We look forward to 2024, a year of sports in which PUMA will launch its largest-ever brand campaign and come to the market with an impressive portfolio of new and innovative products.

Herzogenaurach, 26 February, 2024

On behalf of the Supervisory Board

Héloïse Temple-Boyer
Chair