



ABOUT PERFORMANCE

To our Shareholders



Björn Gulden, Chief Executive Officer (CEO)



CEO-LETTER



➔ **BJØRN GULDEN**

CHIEF EXECUTIVE OFFICER PUMA

DEAR SHAREHOLDERS,

This letter would have been much easier to write three months ago. We had just finished the best year in PUMA's company history, with €5,502 million in revenues and €440 million in EBIT - the highest that PUMA has ever achieved. We had double-digit growth in all regions and in all divisions. All business units reported growth and we felt the PUMA brand had become stronger in all markets around the world. Our order book for 2020 was very positive, with strong and balanced growth in all regions, so we were really looking forward to this year. January started well with strong wholesale numbers, a strong eCommerce perfor-

mance and record sales in our owned and operated stores. Then, in the last week of January, in the middle of the Chinese New Year celebration, COVID-19 hit the city of Wuhan in China. The Chinese market, both for retail and production, basically shut down. Over the next six weeks, the whole business in China, except for eCommerce, basically disappeared. Other Asian markets, especially those which normally have a lot of Chinese tourists, were also heavily impacted. Our focus was to ensure that our staff in China was safe, to solve the supply chain issues by ensuring deliveries from other sourcing countries, and to limit the financial damage of the retail shut down in the domestic Chinese market. Our sales in the rest of the world were very strong and none of us expected COVID-19 to develop into a global pandemic.

We were wrong. As China started to recover in mid-March, the virus had started to spread globally and by the end of the month basically 80% of our retail doors, both owned and operated as well as partner stores, were closed. Most retail partners had also closed their warehouses and did not accept shipments anymore. The only channel that continued to work was eCommerce. Direct to Consumer (DTC) eCommerce, although it is growing at almost 50%, is nowhere close to be able to compensate for the lost business within offline channels, as it is less than 10% of our business in normal times. The COVID-19 pandemic had hit a quarter that would have otherwise been great.

This development has basically continued in April. While the Chinese market is recovering and some other Asian markets, like South Korea and Japan, are slowly improving, the rest of the world has still basically shut down for the sales of sport and sport lifestyle products.

There have been some store openings in the Netherlands, Austria and Germany, while in Sweden, stores have been open the whole time. But it is still far too early to talk about any recovery. The industry is in a crisis where basically 70-80% of the retail space is closed, where almost all organized sports activities have stopped and where global consumers are very worried about their health.



Our PUMA mantra to manage this difficult situation has been from the beginning “To manage the crisis in the short term without hindering the mid-term momentum”.

This means to first survive this phase of little revenue, then recover and stabilize the business in the markets and channels that are opening up again, and then finally utilize PUMA’s momentum to achieve growth again for 2021.

In order to get through this crisis, we are working closely with all our partners such as retailers, suppliers, landlords, banks and authorities. We are reducing costs and cash outflows wherever possible as well as securing additional financing to ensure that we, together with our partners, can sustain the value chain in this period. Suspending dividend payments and suspending the Management Board’s salary by 100% for now as well as reducing salaries of our senior management between 25% -35% are essential measures to achieve additional financing given the circumstances.

I am very impressed by how all of our employees and most of our partners have cooperated in these difficult weeks. Our goal is to survive this crisis together.

We are currently creating and distributing a lot of digital content to stay connected with our customers. This also increases the traffic to our PUMA eCommerce platforms. We are also in the process of finalizing the Spring/ Summer 2021 product range, where we will ensure that we can sell in the collections digitally to all our retail partners. We have not reduced investment in product development, and we will present full new ranges in all categories and all divisions both for Spring/ Summer 2021 and Autumn/ Winter 2021.

I am convinced that our industry will be very strong after the crisis. People will probably do even more sports than before. Health and a healthy lifestyle will be more important and the impact of global sports brands on global fashion will, in my opinion, be even greater than before. The crisis will change the landscape, but those brands that survive will be in a relatively stronger position than before.

And PUMA will be strong. The fact that 2019 was the best year in PUMA’s history has put us in a better position to manage this crisis. All regions and all product divisions contributed with a double-digit sales growth, which underlines the ongoing successful execution of our FOREVER FASTER strategy and demonstrates

PUMA’s enormous potential. On our way towards becoming the Fastest Sports Brand in the world, we have further refined our strategic priorities. In addition to brand heat and desirability, a competitive product range, a leading offer for women, improved quality of distribution, organizational speed and building our sports performance credibility in the US through our re-entry into Basketball, we have now added communicating sustainability and a focus on local relevance as two further strategic objectives.

Sustainability has been deeply embedded in our processes and is a big part of how we work every day. We have been acting in a sustainable way, but have not been vocal enough about it. For consumers worldwide, sustainability has become more important, so we will also make our actions more visible. In 2019, we already reached nine out of our 10FOR20 sustainability targets and developed our next set of targets for 2025, which we are announcing in this report.

In February, we launched a sportswear collection made from recycled plastic in collaboration with recycling company First Mile. The shoes and apparel are made from recycled yarn that is manufactured from collected plastic bottles.

Local relevance is key in our industry and is gaining importance every day. Different countries have different sports that people follow and participate in. For us, it is key to be a part of that everywhere. One of the best examples of local relevance is our partnership with Virat Kohli, the captain of the Indian cricket team. Cricket is by far the most relevant sport in India and by partnering with Virat, we gain credibility as a sports brand in the Indian market. Netball and Australian Rules Football are relevant sports in Australia and New Zealand. Rugby plays a major role in South Africa, whereas Handball is followed in vast parts of Europe.

In PUMA’s first full NBA Basketball season after our comeback in 2018, Toronto Raptors shooting guard Danny Green was the first PUMA athlete to win the NBA Finals since Isiah Thomas in 1990. With the support of JAY-Z, our Creative Director for basketball, we continued to launch additional performance basketball shoes and signed new highly talented NBA players such as RJ Barrett (New York Knicks), Kyle Kuzma (Los Angeles Lakers) and Marcus Smart (Boston Celtics).

In 2019, PUMA further improved its brand heat and desirability among consumers and accounts. We continued to work with relevant influencers on a global as well as local basis and further expanded our sports endorsements, such as



entering into partnerships with the football clubs Manchester City, and Valencia CF.

In track and field, the World Athletics Championships in Doha were an important event for our 115 athletes and 12 national federations with Norwegian hurdler Karsten Warholm successfully defending his title over 400 metres hurdles. In Motorsport, we signed a long-term agreement with Porsche as well as a separate collaboration with Porsche Design to create premium lifestyle products.

We added another bestseller to our Footwear offer, the RALPH SAMPSON, a classic basketball silhouette. This underpins that we are generating credibility in basketball, which we have leveraged into other categories. The RS-X-franchise continued to resonate well with our customers, as did the CALI franchise, presented by PUMA's ambassador Selena Gomez. Other key styles included the PUMA FUTURE football boot and running & training shoes based on our LQD CELL and HYBRID technology platforms. In the fourth quarter, we launched the RS-X3, CALI SPORT and the RIDER, which is inspired by one of the jogging shoes launched in the 1980s. Creating a leading product offer for women remains a priority for PUMA and we have capitalized on this growing segment in the global sportswear market. We continue to see more and more women taking up sports worldwide. Athletic wear has long made its way into everyday outfits. "Where the gym meets the runway" continues to be the theme for our initiatives in the women's segment.

PUMA improved the quality of its distribution and expanded its presence in key sports performance and Sportstyle accounts around the world, in part by strengthening our relationships with key retailers by being a flexible and service-oriented business partner. We also upgraded our owned-and-operated retail store

network with further refurbishments and in August, we opened our New York flagship store on Fifth Avenue.

We continued to invest in our distribution and logistics network. Our new highly automated multichannel distribution center in Geiselwind, Germany is expected to be operational in early 2021 as planned. A new, also highly automated distribution hub just outside of Indianapolis will enter operations later this year.

There is no question that the issues and uncertainties associated with the COVID-19 pandemic present major challenges for PUMA and will have an impact on our short-term performance. However, there will be a time after COVID-19 and we believe strongly that the future of the sporting goods industry and for PUMA, in particular, is bright. Positive underlying trends such as increasing sports participation and more casual wardrobe remain steady or will even accelerate as a result of the crisis. I am extremely proud of our employees and for their spirit with which they are working through this crisis. I also recognize that for you as shareholders this is a tough time. Therefore, I want to thank you, our shareholders, for your continuing support, your confidence and above all for your trust.

Bjørn Gulden
Chief Executive Officer PUMA



REPORT BY THE SUPERVISORY BOARD



➔ **JEAN-FRANÇOIS PALUS**
CHAIRMAN OF
THE
SUPERVISORY
BOARD

DEAR SHAREHOLDERS,

PUMA closes the year 2019 with record net sales and is growing faster in many areas, beating both the markets and its competitors. The positive development of all key performance indicators is a remarkable success – even without considering the background of increasing global uncertainties. The 2019 financial year has begun with a change in the Management Board. Anne-Laure Descours was appointed Chief Sourcing Officer. Especially in times when production sites are at the centre of trade wars, it is of great advantage for PUMA to have in Anne-Laure Descours an experienced expert who is located in Hong Kong and who makes the necessary decisions, if needed in coordination with our production partners. One focus of the Supervisory Board's work was the discussion and decision on the share split, which intended to make PUMA shares more attractive for all investors.

In the financial year 2019, the Supervisory Board has exercised all its duties under the law, statutes and company rules. The Supervisory Board has dealt extensively with the status and the development of PUMA and has regularly advised and supervised the Management Board in its management of the Company.

In this regard, the Supervisory Board has in its four regular meetings discussed and resolved on the Company's business policies; all relevant aspects of corporate development and corporation planning; the Company's economic situation, including its net assets, financial position and results of operations; and all key decisions for the Group. The Management Board has 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. Furthermore, in 2019 two extraordinary and a constitutive meeting of the Supervisory Board took place. Urgent matters were decided using electronic means of communication. All members participated in drawing up the resolutions. Where 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 %
Jean-François Palus	7/7	100
Thore Ohlsson	7/7	100
Héloïse Temple-Boyer (since 18.4.2019)	4/4	100
Fiona May (since 18.4.2019)	4/4	100
Jean-Marc Duplaix (until 18.4.2019)	3/3	100
Béatrice Lazat (until 18.4.2019)	3/3	100
Martin Köppel	7/7	100
Bernd Illig	7/7	100

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 has provided the Su-



pervisory Board with detailed information on any deviations of the business performance from the expected figures, both in writing and orally. The Supervisory Board verified all of these explanations using the supporting documents, which were always submitted in good time before the meetings. The Supervisory Board was involved in all key decisions at an early stage. In addition, the Chairman of the Supervisory Board maintained, and continues to maintain, regular verbal or written contact with the CEO and keeps himself informed of all major developments. Overall, these discussions did not give rise to any doubts that the Management Board were managing the Group in anything other than a lawful and proper manner.

MAIN ADVISORY FOCUS

In the financial year 2019, the focus was primarily on the following topics: change in the Management Board with the resignation of Lars Radoor Sørensen as Chief Operating Officer and appointment of Anne-Laure Descours as Chief Sourcing Officer; audit and approval of the 2018 financial statements; setting the agenda for the Annual General Meeting of April 18, 2019; ongoing business and sales development; the Group's financial position; business and budget planning for 2019 and medium-term planning, including investments; further improvements of the compliance management and the internal control systems as well as material litigation in the Group; and a proposal to the Annual General Meeting on the election of Héloïse Temple-Boyer and Fiona May to the Company's Supervisory Board.

As every year, the Personnel Committee and the Supervisory Board set the target achievements for the variable remuneration of the members of the Management Board regarding 2018, and decided on the bonus for the members of the Management Board and the targets for the remuneration of the members of the Management Board in 2019.

The share split was a central topic of discussion for the Supervisory Board in the first quarter of 2019, as the price of PUMA shares had risen considerably in recent years and PUMA shares were no longer affordable for the PUMA consumer. The share split was intended to bring the shares closer to other stocks in the MDAX and make the shares more attractive to a broader investing public.

CONFLICTS OF INTEREST

The members of the Supervisory Board are required to disclose any conflicts of interest immediately. In the past year, no such disclosures were made.

COMMITTEES

The Supervisory Board has established three committees to perform its duties: The Personnel Committee, the Audit Committee and the Nominating Committee. The Personnel Committee and the Nominating 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 and establishing policies for Human Resources and personnel development. It met three times in 2019. The discussions focused on proposals for determining the bonus payments for the members of the Management Board. In addition, the Personnel Committee dealt with the definition of the targets for 2019 and discussed the personnel composition of the Management Board. The Supervisory Board was given corresponding recommendations for resolution.



AUDIT COMMITTEE

The Audit Committee held four regular meetings in financial year 2019. In particular, the Audit Committee is responsible for the annual and consolidated financial statements, the quarterly reports and the half-yearly financial report, accounting issues and monitoring the accounting process, the effectiveness of the internal control system, risk management and the risk management system, internal audits, and compliance management; and the statutory audit of the financial statements, with particular regard to the required independence of the statutory auditors, issuing the audit mandate to the statutory auditors, defining the audit areas of focus, any additional services to be performed by the auditors, and the fee agreement. In addition, heads of Group functions were available for reports and questions on individual agenda items at committee meetings.

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 one meeting in the past fiscal year. The Nominating Committee recommended that the Supervisory Board propose to the Annual General Meeting on April 18, 2019 that Ms. Héloïse Temple-Boyer (Group Managing Director of Artemis S.A.S., Paris/France) and Ms. Fiona May (Independent Management Consultant, Calenzano/Italy) be proposed for election to the Supervisory Board.

CORPORATE GOVERNANCE

As in previous years, the Supervisory Board addressed current developments in the German Corporate Governance Code (GCGC) in the financial year 2019. 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 Paragraph 3.10 of the GCGC, the Supervisory Board reports on corporate governance in the Corporate Governance Report. With very few exceptions, the Company satisfies the requirements of the GCGC and explains these system-related exceptions in the Statement of Compliance. The Statement of Compliance of November 9, 2019 is available to our shareholders at any time on the Company's website under <http://about.puma.com/de/investor-relations/corporate-governance/declaration-of-compliance/>.

ANNUAL FINANCIAL STATEMENTS ADOPTED

The annual financial statements for PUMA SE prepared by the Management Board in accordance with German Commercial Code (Handelsgesetzbuch/HGB), the consolidated financial statements and the combined management report for PUMA SE and the PUMA Group, each for the financial year 2019, prepared in accordance with Section 315a HGB on the basis of the International Financial Reporting Standards (IFRS) have been audited by the statutory auditors, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, who were appointed at the Annual General Meeting on April 18, 2019 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.

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 their 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 18, 2020 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 state-



ments for the 2019 financial year. The 2019 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 € 0.50 per dividend entitled share for the financial year 2019. In this context, the liquidity situation of the Company, the financing and the effects on the capital market were discussed. A total amount of around € 74.8 million will be paid out in dividends from PUMA SE's retained earnings. The remaining retained earnings of around € 85.9 million will be carried forward.

Finally, in its meeting on February 18, 2020, the Supervisory Board was presented the first draft of the non-financial report in accordance with §§ 315c in conjunction with §§ 289c to 289e of the German Commercial Code (HGB) and the state of data collection was discussed. As soon as the non-financial report is finalised, it will be submitted to the Supervisory Board for approval and will be published on the website of the Company by April 30, 2020.

PERSONNEL CHANGES IN THE SUPERVISORY BOARD

Mr. Jean-Marc Duplaix (Chief Financial Officer (CFO) of Kering S.A., Paris/France) and Ms. Béatrice Lazat (Human Resources Director, Kering S.A., Paris, France) each resigned from their positions as members of the Supervisory Board of PUMA SE effective April 18, 2019. On April 18, 2019, the Annual General Meeting elected Ms. Héloïse Temple-Boyer (Group Managing Director of Artemis S.A.S., Paris, France) and Ms. Fiona May (Independent Management Consultant, Calenzano/Italy) as members of the Supervisory Board of PUMA SE. Their term of office ends – as do those of the other members of the Supervisory Board – at the end of the Annual General Meeting which decides on the discharge for the fiscal year 2022.

PERSONNEL CHANGES IN THE MANAGEMENT BOARD

Mr. Lars Radoor Sørensen resigned from his office as member of the Management Board of PUMA SE with effect from January 31, 2019. Mr. Radoor Sørensen's successor for IT and Logistics was Mr. Michael Lämmermann, CFO of PUMA SE, with effect from February 1, 2019. Ms. Anne-Laure Descours was appointed as Mr. Radoor Sørensen's successor for the Sourcing division with effect from February 1, 2019.

We would like to express our sincere thanks to all departing members of the Supervisory Board and Management Board for their work.

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 2019.

Herzogenaurach, February 18, 2020

On behalf of the Supervisory Board

Jean-François Palus
Chairman