CONSOLIDATED FINANCIAL STATEMENTS

PUMA SE for the financial year 2022 – International Financial Reporting Standards – IFRS

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ABBY STEINER

CONSOLIDATED FINANCIAL STATEMENTS

↗ T.01 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	12/31/2022 € million	12/31/2021 € million
ASSETS			
Cash and cash equivalents	3	463.1	757.5
Inventories	4	2,245.1	1,492.2
Trade receivables	5	1,064.9	848.0
Income tax receivables	22	54.0	37.8
Other current financial assets	6	137.4	153.4
Other current assets	7	235.9	200.9
Current assets		**4,200.4**	**3,489.8**
Deferred tax assets	8	295.0	279.9
Property, plant and equipment	9	592.2	472.4
Right-of-use assets	10	1,111.3	940.5
Intangible assets	11	506.5	471.9
Other non-current financial assets	12	58.4	64.6
Other non-current assets	12	8.8	9.1
Non-current assets		**2,572.3**	**2,238.4**
Total assets		**6,772.7**	**5,728.3**

	Notes	12/31/2022 € million	12/31/2021 € million
LIABILITIES AND EQUITY			
Current financial liabilities	13	75.9	68.5
Trade payables	13	1,734.9	1,176.4
Income taxes	22	86.8	85.7
Current lease liabilities	10	200.2	172.3
Other current provisions	16	50.3	47.9
Other current financial liabilities	13	76.1	64.4
Other current liabilities	13	618.9	549.0
Current liabilities		**2,843.0**	**2,164.5**
Non-current lease liabilities	10	1,030.3	851.0
Deferred tax liabilities	8	42.0	48.8
Pension provisions	15	22.4	31.9
Other non-current provisions	16	29.5	37.9
Other non-current financial liabilities	13	265.3	314.1
Other non-current liabilities	13	1.4	1.5
Non-current liabilities		**1,390.9**	**1,285.3**
Subscribed capital	17	150.8	150.8
Capital reserve	17	90.8	86.4
Other reserves	17	2,253.6	2,002.9
Treasury stock	17	-23.5	-26.9
Shareholders' equity		2,471.7	2,213.3
Non-controlling interests	17, 28	67.1	65.2
Total equity		**2,538.8**	**2,278.5**
Total liabilities and equity		**6,772.7**	**5,728.3**

↗ T.02 CONSOLIDATED INCOME STATEMENT

	Notes	2022 € million	2021 € million
Sales	19, 4	**8,465.1**	**6,805.4**
Cost of sales	24	-4,562.3	-3,547.6
Gross profit	24	**3,902.7**	**3,257.8**
Royalty and commission income		33.8	23.9
Other operating income and expenses	20	-3,295.9	-2,724.6
thereof impairment losses on trade receivables and other financial assets	5	*-4.4*	*0.2*
Operating result (EBIT)		**640.6**	**557.1**
Financial income	21	79.4	29.9
Financial expenses	21	-168.3	-81.7
Financial result		**-88.9**	**-51.8**
Earnings before taxes (EBT)		**551.7**	**505.3**
Taxes on income	22	-127.4	-128.5
Consolidated net earnings for the year		**424.4**	**376.8**
attributable to:			
Non-controlling interests	17, 28	70.9	67.2
Net earnings attributable to shareholders of PUMA SE		**353.5**	**309.6**
Earnings per share (€)	23	2.36	2.07
Earnings per share (€) – diluted	23	2.36	2.07
Weighted average shares outstanding (million)	23	149.65	149.59
Weighted average shares outstanding, diluted (million)	23	149.66	149.60

↗ T.03 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		2022	2021
		€ million	**€ million**
Consolidated net earnings before attribution		**424.4**	**376.8**
Currency changes		68.5	43.8
Net gain/loss on cash flow hedges, net after tax		-64.5	165.6
Items expected to be reclassified to the income statement in the future		**4.0**	**209.4**
Remeasurements of the net defined benefit liability, net after tax		7.6	4.2
Neutral effects financial assets through other comprehensive income (FVTOCI), net after tax		-3.4	-6.2
Items not expected to be reclassified to the income statement in the future		**4.2**	**-2.0**
Other comprehensive income		**8.2**	**207.4**
Comprehensive income		**432.6**	**584.1**
attributable to:	Non-controlling interests	75.0	71.5
	Shareholders of PUMA SE	357.6	512.6

↗ T.04 CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2022 € million	2021 € million
Operating activities			
Earnings before taxes (EBT)		551.7	505.3
Adjustments for:			
Depreciation and impairment	9, 10, 11	358.7	305.8
Non-realized currency gains/losses, net		-43.6	-29.6
Financial income	21	-32.3	-29.9
Financial expenses	21	54.4	72.6
Changes from the sale of fixed assets		1.0	5.1
Changes to pension provisions	15	0.5	-3.7
Other non-cash effected expenses/income		28.6	-4.5
Gross cash flow	25	**918.9**	**821.2**
Changes in receivables and other current assets	5, 6, 7	-209.4	-283.2
Changes in inventories	4	-747.0	-304.3
Changes in trade payables and other current liabilities	13	613.1	373.2
Net cash from operational business activities		**575.6**	**606.9**
Income taxes paid	22	-157.4	-146.9
Net cash from operating activities	25	**418.3**	**460.1**

	Notes	2022 € million	2021 € million
Investing activities			
Purchase of property and equipment	9, 11	-263.6	-202.4
Proceeds from sale of property and equipment		1.3	18.3
Payment for other assets	12	-10.8	-11.6
Interest received	21	32.3	11.9
Net cash used in investing activities		**-240.8**	**-183.8**
Financing activities			
Repayment of lease liabilities	10	-190.0	-160.9
Repayment of current financial liabilities	13	-9.5	-53.4
Raising of current financial liabilities	13	17.9	0.0
Repayment of non-current financial liabilities	13	-60.0	-68.5
Raising of non-current financial liabilities	13	0.0	235.0
Dividend payments to shareholders of PUMA SE	17	-107.7	-23.9
Dividend payments to non-controlling interests	17, 28	-73.3	-47.8
Interest paid	21	-53.8	-44.4
Net Cash used in financing activities	25	**-476.4**	**-164.0**
Exchange rate-related changes in cash and cash equivalents		4.4	-10.5
Change in cash and cash equivalents		**-294.4**	**101.7**
Cash and cash equivalents at beginning of the financial year		757.5	655.9
Cash and cash equivalents at end of the financial year	3, 25	**463.1**	**757.5**

↗ T.05 STATEMENT OF CHANGES IN EQUITY (€ 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
12/31/2020	**150.8**	**84.8**	**1,961.8**	**-360.0**	**-87.6**	**-27.4**	**1,722.4**	**41.5**	**1,763.9**
Consolidated net earnings of the year			309.6				**309.6**	67.2	376.8
Other comprehensive income			-2.0	39.4	165.6		**203.1**	4.3	207.4
Total comprehensive income			**307.6**	**39.4**	**165.6**		**512.6**	**71.5**	**584.1**
Dividends paid to shareholders of PUMA SE/ non-controlling interests			-23.9				**-23.9**	-47.8	-71.8
Share-based payment and Utilization/Issue of treasury stock		1.7				0.5	**2.2**		2.2
12/31/2021	**150.8**	**86.4**	**2,245.4**	**-320.6**	**78.1**	**-26.9**	**2,213.3**	**65.2**	**2,278.5**

	Subscribed capital	**Capital reserve**	Other reserves: Revenue reserves incl. Retained Earnings	Other reserves: Difference from currency conversion	Other reserves: Cash flow hedges	**Treasury stock**	**Shareholders' equity**	**Non-controlling interests**	**TOTAL equity**
12/31/2021	**150.8**	**86.4**	**2,245.4**	**-320.6**	**78.1**	**-26.9**	**2,213.3**	**65.2**	**2,278.5**
Consolidated net earnings 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
Total 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
12/31/2022	**150.8**	**90.8**	**2,496.2**	**-256.8**	**14.2**	**-23.5**	**2,471.7**	**67.1**	**2,538.8**

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 shortly referred to 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). The IASB standards and interpretations, as they are to be applied in the EU, which are mandatory for financial years as of January 1, 2022, 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	
Amendments to IFRS 3	References to the Conceptual Framework
Amendments to IAS 37	Onerous contracts: Contract performance costs
Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use
Annual Improvements 2018-2020	Improvements to IFRS 1, IFRS 9, IFRS 16 and IAS 41

The amendments to the standards and interpretations described below, which were to be initially adopted as of January 1, 2022, did not affect the PUMA consolidated financial statements.

The amendments update IFRS 3 such that the standard now refers to the 2018 conceptual framework and no longer to the 1989 conceptual framework. Two additions were also included. When identifying liabilities taken on as part of a business combination, in the case of transactions and similar events within the scope of application of IAS 37 or IFRIC 21, a buyer must precisely apply these provisions (instead of the conceptual framework). The express statement was also included that contingent receivables acquired in the course of a business combination are not to be recognized. This change has no effect on the PUMA consolidated financial statements.

The amendments to IAS 37 stipulate that the "contract performance costs" are "costs that relate directly to the contract." These may be either additional costs for the performance of this contract (e.g. direct labor costs, materials) or an allocation of other costs directly related to the performance of contracts (e.g. the allocation of depreciation for an item of property, plant and equipment, which is used in the performance of the contract). This change has no effect on the PUMA consolidated financial statements.

The amendments to IAS 16 mean that it is not permissible to deduct from the costs of property, plant and equipment the income arising from the sale of goods that are produced while property, plant and equipment are brought to the location intended by management and rendered in their intended operational state. Instead, a company records the income from such disposals and the costs of producing these goods in the operating result. Costs for test runs to check whether the property, plant and equipment is functioning properly continue to be an example of directly attributable costs. This change has no 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

Standard	Title	Date of adoption *	Planned adoption
Endorsed			
IFRS 17 (including amendment IFRS 17)	Insurance contracts	01/01/2023	01/01/2023
Amendments to IAS 1	Disclosure of accounting policies	01/01/2023	01/01/2023
Amendments to IAS 8	Definition of accounting estimates	01/01/2023	01/01/2023
Amendments to IAS 12	Deferred taxes relating to assets and liabilities from a single transaction	01/01/2023	01/01/2023
Amendments to IFRS 17	First-time application of IFRS 17 and IFRS 9 – Comparative information	01/01/2023	01/01/2023
Endorsement pending			
Amendments to IAS 1	Classification of liabilities as current or non-current	01/01/2024	01/01/2024
Amendments to IFRS 16	Lease liabilities as part of a sale and leaseback transaction	01/01/2024	01/01/2024
Amendments to IAS 1	Non-current liabilities with covenants	01/01/2024	01/01/2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets	postponed indefinitely	

* Adjusted by EU endorsement, if applicable

PUMA does not expect any significant effects on the net assets, financial position and results of operations from these amendments. However, the amendment to IAS 12 leads to a change in future disclosures in the notes to the consolidated financial statements.

2. SIGNIFICANT CONSOLIDATION, ACCOUNTING AND VALUATION POLICIES

CONSOLIDATION PRINCIPLES

The consolidated financial statements were prepared as of December 31, 2022, 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.

Subsidiaries are companies in which the Group has existing rights that give it the current ability to direct the relevant activities. The main activities are those that have a significant influence on the profitability of the company. Control is therefore considered to exist if the Group is exposed to variable returns from its relationship with a company and has the power to govern those returns through its control of the relevant activities. As a rule, control is based on PUMA's direct or indirect majority of the voting rights. Consolidation begins at the point in time from which control is possible. It ends when this no longer exists.

The recognition of business combinations is based on the acquisition method. The assets, debts and contingent liabilities that can be identified as part of a business combination are generally stated at their fair value as of the acquisition date, regardless of the size of non-controlling interests. For each acquisition, there is a separately exercisable option whether the non-controlling interests are measured at fair value or at the proportionate share of net assets.

The surplus of the consideration transferred that exceeds the Group's share in the net assets stated at fair value is recognized as goodwill. If the consideration transferred is lower than the amount of the net assets stated at fair value, the difference is recognized directly in the income statement.

With respect to the controlling interests, losses attributable to non-controlling interests are allocated to the latter even if this results in a negative balance in non-controlling interests.

Intra-group receivables and liabilities are offset against each other. Offsetting differences resulting from exchange rate effects are generally recognized in the income statement to the extent that they arose in the reporting period. Where receivables and liabilities are of a long-term nature and replace capital, the currency difference is recognized directly in other comprehensive income.

In the course of the expense and income consolidation, inter-company sales and intra-group income are offset against the expenses attributable to them. Interim profits not yet realized within the Group as well as intra-group investment income are eliminated.

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 December 31, 2022, 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 2022 were as follows:

↗ T.08

As of	**12/31/2021**	**101**
Formation of companies		1
Disposal of companies		2
As of	**12/31/2022**	**100**

The addition to the group of consolidated companies relates to the formation of PUMA United Aviation North America LLC, USA.

The departures from the group of consolidated companies relate to the merger of PUMA India Corporate Services Private Ltd., India within the group of consolidated companies, and the liquidation of World Cat Sourcing India Private Ltd., India.

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**

AS OF DECEMBER 31, 2022

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.	stichd germany Gmbh	Germany	Düsseldorf	indirect	100%
15.	PUMA UNITED KINGDOM LTD	Great Britain	London	indirect	100%
16.	PUMA PREMIER LTD	Great Britain	London	indirect	100%
17.	STICHD UK LTD	Great Britain	Mansfield	indirect	100%
18.	STICHD SPORTMERCHANDISING UK LTD	Great Britain	London	indirect	100%

AS OF DECEMBER 31, 2022

No.	Companies/Legal Entities	Country	City	Shareholder	Share of Capital
19.	GENESIS GROUP INTERNATIONAL LIMITED	Great Britain	Manchester	direct	100%
20.	Sport Equipment Hellas S. A. of Footwear, Apparel and Sportswear u.Li.	Greece	Athens	direct	100%*
21.	PUMA ITALIA S.R.L.	Italy	Assago	indirect	100%
22.	STICHD ITALY SRL	Italy	Assago	indirect	100%
23.	Puma Sport Israel Ltd. In Liq	Israel	Herzliya	indirect	100%
24.	PUMA MALTA LIMITED	Malta	St. Julians	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%

* Subsidiaries which are assigned to be financially 100% PUMA Group

AS OF DECEMBER 31, 2022

No.	Companies/Legal Entities	Country	City	Shareholder	Share of Capital
42.	PUMA Nordic AB	Sweden	Helsingborg	indirect	100%
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 Tricaret A.S.	Turkey	Istanbul	indirect	100%
49.	PUMA UKRAINE LIMITED LIABILITY COMPANY	Ukraine	Kyiv	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 Deportivo PUMA S.A.C.	Peru	Lima	indirect	100%
63.	Distribuidora Deportivo 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 DECEMBER 31, 2022

No.	Companies/Legal Entities	Country	City	Shareholder	Share of Capital
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%
	Asia/ Pacific				
73.	PUMA Australia Pty. Ltd.	Australia	Melbourne	indirect	100%
74.	White Diamond Australia Pty. Ltd.	Australia	Melbourne	indirect	100%
75.	White Diamond Properties Pty. Ltd.	Australia	Melbourne	indirect	100%
76.	PUMA China Ltd. (彪马（上海）商贸有限公司)	China	Shanghai	indirect	100%
77.	stichd Trading (Shanghai) Co., Ltd. (斯梯起特贸易（上海）有限公司)	China	Shanghai	indirect	100%
78.	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%
79.	World Cat Ltd. (寰彪有限公司)	China	Hong Kong	direct	100%
80.	Development Services Ltd.	China	Hong Kong	direct	100%
81.	PUMA International Trading Services Ltd.	China	Hong Kong	indirect	100%
82.	PUMA ASIA PACIFIC LTD (彪馬亞太區有限公司)	China	Hong Kong	direct	100%
83.	PUMA Hong Kong Ltd. (彪馬香港有限公司)	China	Hong Kong	indirect	100%
84.	stichd Limited	China	Hong Kong	indirect	100%
85.	PUMA Sports India Private Ltd.	India	Bangalore	indirect	100%
86.	PT. PUMA Cat Indonesia	Indonesia	Jakarta	indirect	100%
87.	PT PUMA Sports Indonesia	Indonesia	Jakarta	indirect	100%
88.	PUMA Japan K.K. (プーマ ジャパン株式会社)	Japan	Tokyo	indirect	100%

AS OF DECEMBER 31, 2022

No.	Companies/Legal Entities	Country	City	Shareholder	Share of Capital
89.	PUMA Korea Ltd. (푸마코리아 유한회사)	(South) Korea	Seoul	direct	100%
90.	Stichd Korea Ltd	(South) Korea	Incheon	indirect	100%
91.	PUMA Sports Goods Sdn. Bhd.	Malaysia	Petaling Jaya	indirect	100%
92.	STICHD SOUTHEAST ASIA SDN. BHD.	Malaysia	Kuala Lumpur	indirect	100%
93.	PUMA New Zealand Ltd.	New Zealand	Auckland	indirect	100%
94.	PUMANILA IT SERVICES INC.	Philippines	City of Makati	indirect	100%
95.	PUMA Sports Philippines Inc.	Philippines	City of Makati	indirect	100%
96.	PUMA Sports SEA Trading Pte. Ltd.	Singapore		indirect	100%
97.	PUMA SEA Holding 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%

PUMA Mostro GmbH, PUMA Sprint GmbH, PUMA International Trading GmbH and PUMA Europe GmbH have made use of the exemption provision under Section 264(3) of the German Commercial Code (HGB).

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 recognized 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**

	2022		2021	
Currency	Reporting date exchange rate	Average exchange rate	Reporting date exchange rate	Average exchange rate
USD	1.0666	1.0530	1.1326	1.1827
CNY	7.3582	7.0788	7.1947	7.6282
JPY	140.6600	138.0274	130.3800	129.8767
GBP	0.8869	0.8528	0.8403	0.8596

In 2022, accounting for hyperinflationary economies was first applied in accordance with IAS 29. In the case of Argentina and Turkey, which are in an environment of hyperinflation, with retroactive effect from January 1, 2022, the carrying amounts of non-monetary assets and liabilities, equity and other comprehensive income were converted into the unit of measurement applicable as of the balance sheet date for the financial year 2022, thereby adjusting them to the price changes. The financial statements are based on the concept of historical acquisition and/or production costs. The exchange rate as of December 31, 2022 was used for translation into the reporting currency, the euro, for all items. In accordance with IAS 21.42, comparative amounts from previous periods do not need to be adjusted.

Gains and losses on the net monetary position are included in the financial result. In the 2022 financial year, gains on the net monetary position amounted to € 0.9 million. This amount also includes interest income from cash and cash equivalents invested, in accordance with IAS 29.28.

As of December 31, 2022, the price index used for Turkey was 1,128.45 (December 31, 2021: 686.95) and is based on the consumer price index. The general price index used for Argentina was 1,134.3 as of December 31, 2022 (December 31, 2021: 582.46).

In the previous year, the effects of the currency area Argentina, which has been in a hyperinflationary environment since 2018, were analyzed in accordance with IAS 29 and IAS 21.42. The application of the aforementioned standards to the PUMA SE consolidated financial statements as of December 31, 2021 would have resulted in an increase in assets of € 20.6 million (mainly property, plant and equipment, intangible assets, deferred tax items and inventories) and an adjustment of equity of € 20.6 million. Furthermore, the operating result (EBIT) would have decreased by € 1.2 million. The effects on the consolidated financial statements were considered insignificant and did not lead to an adjustment in the context of the group accounting.

ACCOUNTING AND VALUATION POLICIES

FINANCIAL INSTRUMENTS

Financial instruments are classified and recognized in accordance with IFRS 9. Acquisitions and disposals of financial assets, with the exception of trade receivables, are initially recognized on the settlement date and are recorded at fair value. Under IFRS 9, the subsequent measurement of financial instruments is carried out according to the classification at "amortized cost" (AC), at "fair value through profit or loss" (FVPL) or at "fair value through other comprehensive income" (FVOCI). The classification is based on two criteria: the Group's business model for asset management and the question of whether the contractual cash flows of the financial instruments represent "exclusively payments of principal and interest" toward the outstanding principal amount.

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 realized 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 recognized 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 (cash flow hedge accounting) or as hedges of the fair value of a recognized 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 hedge accounting and continuously thereafter.

Changes in the market value of derivatives that are intended and suitable for cash flow hedges 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 recognized in the income statement. The amounts recognized in other comprehensive income are recognized 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 fair value of derivatives that qualify for and are designated as fair value hedges are recognized 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 fair 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 hedge planned transactions (cash flow hedge accounting) and to hedge the fair value of a recognized asset or liability (fair value hedge) are shown under Other current and non-current financial assets or liabilities.

LEASES

PUMA has concluded leases exclusively as lessee.

The leases are each identified at an individual contract level. For all leases, PUMA recognizes 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 recognizes 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 recognized 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.

The following lease payments are included in the measurement of the lease liability:

- Fixed lease payments (including in-substance fixed payments), less any incentive payments received;
- Variable lease payments based on an index or rate, initially measured based on the index or rate at the start of the lease agreement; as a result, future adjustments after changes in the index or interest rate remain unrecognized;
- Exercise price of purchase options, if PUMA is sufficiently certain that it will exercise them;
- Expected payments from residual value guarantees; and
- Penalties for the early termination of lease agreements, if PUMA is sufficiently certain that it will exercise this termination option and if this is taken into account when determining the term of the lease agreement.

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 recognized as a separate line item on the consolidated balance sheet.

PUMA applies the practical recognition exemption with regard to COVID-19 rent concessions to all rent concessions falling within the scope of this measure. Where the conditions are met, the rent concessions will be represented on the balance sheet as if they were variable lease payments. Consequently, the rent concessions will be recognized in the income statement in the period in which they were granted.

The subsequent measurement of the lease liability is done by increasing the carrying amount by adding the accrued interest of the lease liability (using the effective interest method) and by reducing the carrying amount of the lease liability by the lease payments made. Where COVID-19-related rent concessions involve the exemption from lease payments, the carrying amount of the lease liability is reduced by the exempted lease payments.

If the term of the lease has changed and this is not a COVID-19-related rent concession, or if a material event has led to a change in the assessment relating to the exercise of a purchase option, PUMA will remeasure the lease liability by discounting the adjusted lease payments using an updated interest rate and will adjust the corresponding right-of-use asset accordingly.

If lease payments have changed due to index or interest rate changes or due to a change in the expected payments to be made due to a residual value guarantee, PUMA will remeasure the lease liability by discounting the adjusted lease payments using an unchanged discount rate. The corresponding right-of-use asset is adjusted accordingly.

If a lease is changed and this is not a COVID-19-related rent concession, and the change in the lease is not recognized as a separate lease, PUMA will remeasure the lease liability based on the lease term for the new lease. As part of this, the changed lease payments are discounted using the updated interest rate at the time the change becomes effective.

The right-of-use assets comprise the respective lease liability as part of initial measurement. Lease installments 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 measurement of the right-of-use assets. The subsequent measurement 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.

Variable lease payments that are not dependent on an index or interest rate are not included in the valuation of the lease liabilities and the right-of-use. These payments are recognized in the income statement as other operating expenses as soon as PUMA has received the underlying benefit. This applies primarily to turnover-based rents for retail stores.

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 so 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 recognized.

The right-of-use assets are recognized 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. In the three-year detailed planning period, growth rates in the single-digit percentage range are recorded for all retail stores. In determining the value in use of the retail stores, cash flows in countries without hyperinflation were discounted at a weighted cost of capital rate of between 8.2% and 25.3% (previous year: between 4.7% and 19.7%) and the cash flow of retail stores in the two hyperinflationary countries with a weighted cost of capital rate of between 20.0% and 62.7% (previous year: between 18.0% and 64.4%). This was based on a risk-free interest rate on equivalent term structures of 2.3% (previous year: -0.1%) and a market risk premium of 7.3% (previous year: 7.8%).

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.

For the retail stores in Russia that have been closed since March 2022, the value in use of the retail stores was determined by applying the expected cash flow approach. The expected cash flow approach allows the use of various probability-weighted scenarios to present the future business development in value in use in Russia. The value in use is compared with the carrying amount of the net assets allocated to the retail store (in particular, right-of-use assets from the lease, tenant fixtures, net working capital and proportionate corporate assets allocated to the central areas).

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 amortized 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.

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 amortized 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.

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 realizable values derived from the net realizable value on 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 realizable market prices.

TRADE RECEIVABLES

Trade receivables are initially measured at the transaction price and subsequently at amortized cost with deduction of value adjustments, in the form of a provision for risks. According to IFRS 15 "Revenue from Contracts with Customers”, the transaction price is the amount of consideration expected by the Company, not taking into account the amounts collected on behalf of third parties.

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 recognized 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 recognized at fair value plus transaction costs. They are also recognized at fair value in subsequent periods. Unrealized gains and losses are recognized 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 capitalized to the extent that the criteria for capitalization of an asset item apply.

GOODWILL

Goodwill resulting from a business combination is calculated based on the difference between the transferred consideration and the Group's share in the fair value of the acquired assets and liabilities.

Goodwill amounts are allocated to the Group's cash-generating units that are expected to benefit from the synergy effects resulting from the business combination.

An impairment test of goodwill per group of cash-generating units (usually the smallest company level at which goodwill is monitored) is performed once a year and whenever there are indicators of impairment, and can result in an impairment loss. There is no reversal of an impairment loss for goodwill. See chapter 11 for further details, in particular regarding the assumptions used for the calculation.

OTHER INTANGIBLE ASSETS

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

If the capitalization requirements of IAS 38.57 "Intangible Assets" are met cumulatively, expenses in the development phase for internally generated intangible assets are capitalized at the time they arise. In subsequent periods, internally generated intangible assets and acquired intangible assets are measured at cost less accumulated amortization 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 amortized 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 amortized 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.

FINANCIAL DEBT, OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES

In general, these items are recognized at their acquisition cost, taking into account transaction costs, and subsequently recognized at amortized cost. Non-interest or low-interest-bearing liabilities with a term of at least one year are recognized 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 financial liabilities also include those long-term loans that have a maximum residual term of up to one year.

PUMA offers its suppliers a supplier financing program. 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 program 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 program (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 recognized 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.

Revaluations, consisting of actuarial profits and losses, changes resulting from use of the asset ceiling and return on plan assets (without interest on the net debt) are immediately recorded in other comprehensive income. The revaluations recorded in other comprehensive income are part of the retained earnings and are no longer reclassified into the income statement. Past service costs are recorded as an expense if changes are made to the plan.

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

OTHER PROVISIONS

Provisions are recognized if the Group, as a result of a past event, has a current obligation and this obligation is likely to result in an outflow of resources with economic benefits, the amount of which can be reliably estimated. The provisions are recognized at their settlement value as determined on the basis of the best possible estimate and are not offset by income. Non-current provisions are discounted.

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

Provisions are also recognized 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.

TREASURY STOCK

Treasury stock is deducted from equity at its market price as of the date of acquisition, plus incidental acquisition costs. Pursuant to the authorization of the Annual General Meeting, treasury stock can be repurchased for any authorized purpose, including the flexible management of the Company's capital requirements.

MANAGEMENT INCENTIVE PROGRAMS

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

For cash-settled share-based payments, a liability is recorded for the services received and measured with its fair value upon recognition. Until the debt is cleared, its fair value is recalculated on every balance sheet date and on the settlement date and all changes to the fair value are recognized in the income statement.

During the three-year term of the respective programs, the medium-term targets of the PUMA Group with regard to sales, operating result (EBIT), cash flow and working capital as a percentage of sales are determined for key performance indicator compensation processes and recognized in the income statement as other provisions along with their respective degree of target achievement.

RECOGNITION OF SALES

The Group recognizes 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 fulfills 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 realized 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 records royalty and commission income from the licensing of trademark rights to third parties. Income from royalties is recognized 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 realized.

ADVERTISING AND PROMOTIONAL EXPENSES

Advertising expenses are recognized in the income statement at the time they are incurred. In general, promotional expenses stretching over several years are recognized 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 recognized 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 recorded in full in profit or loss at the relevant time.

PRODUCT DEVELOPMENT

PUMA continuously develops new products in order to meet market requirements and market changes. Research costs are expensed in full at the time they are incurred. Development costs are also recognized as an expense when they do not meet the recognition criteria of IAS 38 "Intangible Assets."

GOVERNMENT GRANTS

Starting in the financial year 2020, PUMA has received government grants related to income on a global level as a result of the COVID-19 pandemic; these have then been deducted from the corresponding expenses in the income statement. Grants are received via country-specific, one-off emergency aid schemes relating to the global COVID-19 pandemic and via country-specific short-time work programs, provided that they meet the requirements of IAS 20 and other comparable measures.

Pursuant to IAS 20.7, government grants related to income are recognized when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received.

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 measurement of pension commitments.

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. Depending on which value best reflects the expectation, the most likely value or the expected value is used for the valuation.

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 recognized either as deferred tax assets or deferred tax liabilities.

With regard to the leases that were capitalized, the tax deduction potential is allocated to the respective right-of-use asset. If temporary differences arise during subsequent valuation from a netting perspective of right-of-use asset and lease liability, deferred tax items will be created, provided the requirements under IAS 12 are met.

Deferred tax assets may also include claims for tax reductions that result from the expected utilization of existing losses carried forward to subsequent years and which is likely to materialize. Deferred tax assets or liabilities may also result from accounting treatments that do not affect the income statement. Deferred taxes are calculated on the basis of the tax rates that apply to the reversal in the individual countries and that are in force or adopted as of the balance sheet date.

Deferred tax assets are recognized only to the extent that the respective tax advantage is likely to materialize. Deferred tax assets are not recognized if they do not meet this criterion on the basis of the past results of operations and the business expectations for the foreseeable future.

UNCERTAINTY OF ESTIMATES

The preparation of the consolidated financial statements requires some assumptions and estimates that have an impact on the measurement and presentation of the recognized 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. PUMA applies scenarios that assume that the situation created by the COVID-19 pandemic will not be long term. Accordingly, PUMA does not expect that the impact on the consolidated financial statements will be significant or serious. Assumptions and estimates mainly relate to the valuation of goodwill and trademarks, inventories, liabilities from refund obligations, taxes and leases. 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 behavior. As it is currently difficult to predict what the global consequences of the COVID-19 pandemic will be in the short and medium term, these assumptions and estimates are generally subject to increased uncertainty. However, it is assumed that the global economy will gradually return to normal in 2023 due to the availability of vaccines against COVID-19 and the progress made with immunizing large parts of the population in PUMA's key markets. 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 realizable values derived from the selling price at the balance sheet date. Value adjustments are adequately recorded, depending on age, seasonality and realizable market prices. Further details on the inventory valuation are provided in chapter 4.

Liabilities from refund obligations

The Group recognizes 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. See chapter 13 for further information.

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. Due to the currently difficult to predict short- and medium-term consequences of the global COVID-19 pandemic, these assumptions and estimates are generally subject to increased uncertainty. 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 and details about assumptions.

Leases

The measurement of the lease liabilities 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 an option 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.

Currency conversion in the case of hyperinflation

The option to adjust the previous year's comparative figures was exercised such that no adjustment was made to the comparative figures for the previous year. The disclosures are included in chapter 2 Significant consolidation and accounting and valuation principles in the currency translation section.

Leases

The accounting for leases 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. In determining the value in use as part of the impairment test for the retail stores in Russia, assumptions were made in particular about the occurrence of different scenarios and their probability of occurrence.

NOTES TO THE CONSOLIDATED BALANCE SHEET

3. CASH AND CASH EQUIVALENTS

As of December 31, 2022, the Group has € 463.1 million (previous year: € 757.5 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 financial investments was 1.7% (previous year: 1.5%) for countries without hyperinflation. The average effective interest rate of financial investments was 33.4% in countries with hyperinflation. Due to currency exchange controls, transfer restrictions of € 93.3 million were placed on the cash and cash equivalents reported.

4. INVENTORIES

Inventories are allocated to the following main groups:

↗ **T.11** (€ million)

	2022	2021
Goods/inventory and finished goods		
Footwear	750.2	356.2
Apparel	519.0	325.5
Accessories/Other	266.4	154.9
Raw materials, consumables and supplies	46.8	30.2
Prepayments made	3.2	25.9
Goods in transit	592.6	535.6
Inventory adjustments related to returns	66.9	64.0
Total	**2,245.1**	**1,492.2**

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 € 217.0 million (previous year: € 169.3 million), approx. 67.5% (previous year approx. 58.1%) were recognized as an expense under cost of sales in the financial year 2022.

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

This item consists of:

↗ T.12 (€ million)

	2022	2021
Trade receivables, gross	1,122.8	906.7
Less provision for risks	-57.9	-58.7
Trade receivables, net	**1,064.9**	**848.0**

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

↗ T.13 (€ million)

	2022	2021
Status of provision for risks as of January 1	**58.7**	**61.9**
Exchange rate differences	0.4	1.5
Additions	20.3	11.8
Utilization	-5.6	-4.9
Reversals of unused provision for risks	-15.8	-11.5
Status of provision for risks as of December 31	**57.9**	**58.7**

The age structure of the trade receivables is as follows:

↗ T.14 (€ million)

2022	Total	Not due	0-30 days	31-90 days	91-180 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%

↗ **T.15** (€ million)

2021	Total	Not due	0-30 days	31-90 days	91-180 days	Over 180 days
Gross carrying amount – Trade receivables	906.7	771.5	63.6	19.0	14.5	38.0
Provision for risks	58.7	18.6	3.2	1.2	4.4	31.4
Net carrying amount – Trade receivables	848.0	752.9	60.6	17.9	10.1	6.6
Expected loss rate		2.4%	5.0%	6.1%	30.5%	82.6%

With respect to the net carrying amount 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

This item consists of:

↗ **T.16** (€ million)

	2022	2021
Fair value of derivative financial instruments	115.9	123.2
Other financial assets	21.6	30.2
Total	**137.4**	**153.4**

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

7. OTHER CURRENT ASSETS

This item consists of:

↗ **T.17** (€ million)

	2022	2021
Prepaid expense relating to the subsequent period	86.2	90.2
Other receivables	149.8	110.7
Total	**235.9**	**200.9**

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 € 97.9 million (previous year: € 55.4 million) and Other taxes of € 30.3 million (previous year: € 21.3 million).

8. DEFERRED TAXES

Deferred taxes relate to the items shown below:

↗ **T.18** (€ million)

	2022	2021
Tax loss carryforwards	57.5	74.1
Non-current assets	37.6	51.4
Current assets	104.3	76.8
Provisions and other liabilities	171.0	109.5
Deferred tax assets (before netting)	**370.5**	**311.8**
Non-current assets	75.9	62.6
Current assets	37.6	11.9
Provisions and other liabilities	4.0	6.3
Deferred tax liabilities (before netting)	**117.4**	**80.7**
Deferred tax assets, net	**253.1**	**231.1**

As of December 31, 2022, tax losses carried forward amounted to a total of € 407.7 million (previous year: € 489.4 million). Deferred tax assets were recognized for these items in the amount at which the associated tax advantages are likely to be realized in the form of future profits for income tax purposes. In the financial year 2022, no deferred tax items were recognized for the losses carried forward in the amount of € 140.5 million (previous year: € 164.4 million); of which, € 135.2 million (previous year: € 158.3 million) cannot expire, of which, however, € 47.0 million (previous year: € 47.4 million) will never be utilizable due to a lack of future profits. The remaining tax losses carried forward, for which no deferred tax items were recognized, in the amount of € 5.3 million (previous year: € 6.2 million) will expire within the next six years.

In addition, no deferred tax items were recognized for temporary differences in the amount of € 22.6 million (previous year: € 28.1 million) because they were not expected to be realized 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 € 70.0 million were recognized after deduction of any deferred tax liabilities (previous year: € 49.9 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 recognized 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** (€ million)

	2022	2021
Deferred tax assets	295.0	279.9
Deferred tax liabilities	42.0	48.8
Deferred tax assets, net	**253.1**	**231.1**

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

↗ **T.20** (€ million)

	2022	2021
Deferred tax assets, net as of January 1	231.1	236.9
Recognition in the income statement	25.1	-2.7
Adjustment related to remeasurements of the net defined benefit liability, recognized in other comprehensive income	-2.5	0.3
Adjustment related to the market value of currency hedging contracts, recognized in other comprehensive income	-0.7	-9.2
Currency exchange effects	0.0	5.8
Deferred tax assets, net as of December 31	**253.1**	**231.1**

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at their carrying amounts consist of:

↗ **T.21** (€ million)

	2022	2021
Land and buildings, including buildings on third-party land	120.7	121.6
Technical equipment and machines	133.5	125.7
Other equipment, factory and office equipment	263.1	183.0
Payments on account and assets under construction	75.0	42.1
Total	**592.2**	**472.4**

The carrying amount of property, plant and equipment is derived from the acquisition costs. Accumulated depreciation of property, plant and equipment amounted to € 535.2 million (previous year: € 457.6 million).

The changes in property, plant and equipment in the financial year 2022 are shown in "Changes in Fixed Assets" in Appendix 1 to the notes of the consolidated financial statements.

10. LEASES

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 options to renew and price adjustment clauses.

The carrying amounts for **right-of-use assets** recognized on the balance sheet relate to the following asset classes:

↗ **T.22** (€ million)

	2022	2021
Land and buildings – Retail stores	430.9	382.9
Real Estate – Warehouses & offices	613.1	505.8
Others (Technical equipment & machines and motor vehicles)	67.3	51.9
Total	**1,111.3**	**940.5**

The changes in right-of-use assets in the financial year 2022 are shown in "Changes in Fixed Assets" in Appendix 1 to the notes to the consolidated financial statements.

The following **lease liabilities** result:

↗ **T.23** (€ million)

	2022	**2021**
Current lease liabilities	200.2	172.3
Non-current lease liabilities	1,030.3	851.0
Total	**1,230.4**	**1,023.4**

The amounts recognized in the income statement are as follows:

↗ **T.24** (€ million)

	2022	**2021**
Depreciation of right-of-use assets (incl. impairment losses) (included in operating expenses)	228.1	194.7
Profit (-)/loss (+) from disposal/revaluation	-0.9	-1.0
Interest expense (included in financial expenses)	38.6	31.5
Short-term leases (included in operating expenses)	10.1	6.3
Leases of low-value assets (included in operating expenses)	1.0	0.7
Variable lease payments (included in operating expenses)	29.7	24.5
Total	**306.8**	**256.7**

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.

As a result of the COVID-19 pandemic, PUMA was exempted—by agreement with the lessors—from rent payments of € 1.8 million (previous year: € 7.1 million), which were recognized as variable lease payments in the income statement.

Due to reduced earnings prospects based on updated financial planning and estimates as well as retail store closures, impairment expenses in the amount of € 25.4 million were recorded for the right of use of assets in connection with PUMA's own retail stores in the 2022 financial year (previous year: € 18.5 million). To determine the impairment, the recoverable amount was calculated for the individual retail stores. This amounted to € 111.4 million for impaired retail stores (previous year: € 79.6 million). As in the previous year, no impairments were reversed. There were no impairments to the other categories of right-of-use assets.

Total cash outflows from lease liabilities in 2022 amounted to € 228.7 million (previous year: € 192.4 million).

In 2022, 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 recognized as of December 31, 2022. Future lease payments in connection with these agreements amount to € 2.6 million (previous year: € 2.4 million) for the next year, € 13.7 million for years two to five (previous year: € 14.3 million) and

€ 8.7 million for the subsequent period (previous year: € 6.4 million). The lease terms for these are up to 10 years.

The maturity analysis of lease liabilities is as follows:

↗ **T.25** (€ million)

	2022	**2021**
Residual term of:		
up to 2 years	234.0	197.3
from 2 to 5 years	665.3	545.7
more than 5 years	541.2	432.4
Total (undiscounted)	1,440.6	1,175.4
Interests	-210.2	-152.0
Total	**1,230.4**	**1,023.4**

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.

Goodwill and intangible assets with indefinite useful lives are not amortized 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:

The central assumptions applied in Group-level planning in relation to macroeconomic developments are that the global economy will gradually return to normal in 2023 due to the availability of vaccines against COVID-19 and the progress made with immunizing large parts of the population in PUMA's key markets. On this basis, and assuming that COVID-19 will not have a long-term negative impact on the global economy, further sales growth and a further improved EBIT margin are expected in subsequent financial years.

Alongside the normalization of business activities, 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 realized.

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 may 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.

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 € 133.4 million (previous year: € 125.6 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 9.4% p.a. (previous year: 7.4% p.a.), a royalty rate of 8.0% (previous year: 8.0%) and a sustainable 2.0% growth rate (previous year: 1.7%) was used. The management's key assumptions about sales growth and 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.

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 2022, there were no indications of an impairment.

In the financial year, development costs in connection with Cobra brand golf clubs amounting to € 1.9 million (previous year: € 1.7 million) were capitalized. Development costs are allocated to the item Other Intangible Assets in “Changes in Fixed Assets.” Current amortization of development costs amounted to € 1.9 million in the financial year (previous year: € 1.1 million).

The changes in intangible assets in the financial year are shown in “Changes in Fixed Assets” of Appendix 1 to the notes to the consolidated financial statements. The item other intangible assets includes advance payments in the amount of € 5.6 million (previous year: € 5.7 million).

The current amortization of intangible assets in the amount of € 36.3 million (previous year:€ 27.8 million) is included in the other operating expenses. Of this, € 7.7 million relate to sales and distribution expenses (previous year: € 5.8 million), € 0.1 million to expenses for product management/ merchandising (previous year: € 0.1 million), € 1.9 million to development expenses (previous year: € 1.1 million), and € 26.5 million to administrative and general expenses (previous year: € 20.8 million). There were no impairment expenses exceeding current depreciation (previous year: € 0.0 million).

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

↗ T.26 (€ million)

	2022	2021
PUMA UK	1.6	1.7
Genesis	6.9	7.3
Subtotal Europe	8.5	9.0
PUMA Canada	9.9	9.9
PUMA United	2.1	1.9
Subtotal North America	11.9	11.8
PUMA Argentina	16.4	15.4
PUMA Chile	0.5	0.5
PUMA Mexico	10.9	9.8
Subtotal Latin America	27.8	25.7
PUMA China	2.5	2.5
PUMA Taiwan	13.7	14.3
Subtotal Greater China	16.2	16.8
PUMA Japan	38.9	42.0
Subtotal Asia/Pacific (excluding Greater China)	38.9	42.0
stichd	139.4	139.4
Total	**242.7**	**244.7**

Assumptions used in conducting the impairment tests in 2022:

↗ T.27

	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)

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: 1.7%) is generally assumed. A growth rate of less than 2.0% (previous year: less than 1.7%) 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 Japan, Taiwan and Canada.

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 9.4% p.a. (previous year: 7.1% p.a.) and a growth rate of 2.0% (previous year: 1.7%). The three-year plan of stichd shows sales growth in the high single-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 € 38.9 million (previous year: € 42.0 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 9.4% p.a. (previous year: 7.1% p.a.) and a growth rate of 1.0% (previous year: 1.2%). PUMA Japan's three-year plan shows sales growth in the low double-digit percentage range. PUMA Japan's three-year plan shows that the company expects a strong improvement of 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.28

	Tax rate (range)	WACC before tax (range)	WACC after tax (range)
Europe	19.0%	8.9%-9.0%	7.6%
North America*	26.2%	9.4%	7.3%
Latin America	27.0%-30.0%	11.5%-40.9%	8.8%-54.4%
Greater China	20.0%-25.0%	7.8%-10.3%	6.4%-8.1%
Asia/ Pacific (excluding Greater China) *	31.8%	9.8%	7.1%
stichd*	25.0%	9.0%	7.1%

* 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.29** (€ million)

	2022	2021
Investments	21.7	25.2
Fair value of derivative financial instruments	2.5	6.8
Other financial assets	34.2	32.6
Total of other non-current financial assets	**58.4**	**64.6**
Other non-current non-financial assets	8.8	9.1
Other non-current assets, total	**67.2**	**73.7**

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 2021/2022 of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, equity as of June 30, 2022 amounted to € 280.5 million and the result of the last financial year was € -35.1 million.

The other financial assets mainly include rental deposits of € 29.8 million (previous year: € 30.5 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.30** (€ million)

	2022				2021			
		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
Financial liabilities	**327.4**	75.9	251.5		**380.0**	68.5	311.5	
Trade payables	**1,734.9**	1,734.9			**1,176.4**	1,176.4		
Other liabilities *								
Liabilities from other taxes	**82.6**	82.6			**54.0**	54.0		
Liabilities relating to social security	**10.0**	10.0			**8.5**	8.5		
Payables to employees	**137.2**	137.2			**127.4**	127.4		
Liabilities from refund obligations	**373.9**	373.9			**351.2**	351.2		
Liabilities from derivative financial instruments	**52.4**	39.5	12.9		**44.5**	42.4	2.1	
Other liabilities	**54.0**	51.7	2.0	0.3	**31.5**	29.9	1.1	0.5
Total	**2,772.5**	2,505.8	266.3	0.3	**2,173.7**	1,858.4	314.8	0.5

* 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.

As of December 31, 2022, € 67.5 million (previous year: € 136.0 million) of the financial liabilities were subject to variable interest.

14. FINANCIAL INSTRUMENTS

Additional Disclosures on Financial Instruments

↗ T.31 (€ million)

	Measurement categories under IFRS 9	Carrying amount 2022	Fair value 2022	Level 1	Level 2	Level 3	Carrying amount 2021	Fair value 2021	Level 1	Level 2	Level 3
Assets											
Cash and cash equivalents	[1]AC	463.1					757.5				
Trade receivables	AC	1,064.9					848.0				
Other Current Financial Assets											
Derivatives with a hedging relationship	n.a.	56.1	56.1		56.1		105.3	105.3		105.3	
Derivatives without hedging relationship	[2]FVPL	59.8	59.8		59.8		17.9	17.9		17.9	
Remaining current financial assets	AC	21.6					30.2				
Other non-current financial assets											
Derivatives with a hedging relationship	n.a.	2.5	2.5		2.5		6.8	6.8		6.8	
Investments	[3] FVOCI	21.7	21.7	21.7			25.2	25.2	25.2		
Remaining non-current financial assets	AC	34.2					32.6				
Liabilities											
Current financial liabilities											
Bank liabilities	AC	15.9					0.0				
Promissory note loans	AC	60.0	59.3		59.3		68.5	68.5		68.5	
Trade payables	AC	1,734.9					1,176.4				
Current lease liabilities	n.a.	200.2					172.3				

	Measurement categories under IFRS 9	Carrying amount 2022	Fair value 2022	Level 1	Level 2	Level 3	Carrying amount 2021	Fair value 2021	Level 1	Level 2	Level 3
Other current financial liabilities											
Derivatives with a hedging relationship	n.a.	23.6	23.6		23.6		30.0	30.0		30.0	
Derivatives without hedging relationship	[2]FVPL	15.9	15.9		15.9		12.3	12.3		12.3	
Remaining current financial liabilities	AC	36.5					22.1				
Non-current lease liabilities	n.a.	1,030.3					851.0				
Other non-current financial liabilities											
Non-current financial liabilities (promissory note loans)	AC	251.5	239.5		239.5		311.5	311.5		311.5	
Derivatives with a hedging relationship	n.a.	12.9	12.9		12.9		2.1	2.1		2.1	
Remaining non-current financial liabilities	AC	1.0					0.4				
Total financial assets at amortized cost		**1,583.8**					**1,668.3**				
Total financial liabilities at amortized cost		**2,099.8**					**1,578.9**				
Total financial assets at fair value through profit or loss		**59.8**					**17.9**				
Total financial liabilities at fair value		**15.9**					**12.3**				
Total financial assets at fair value through other comprehensive income		**21.7**					**25.2**				

1) AC = at amortized 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 fair value 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.32

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 on 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 the 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

Of the fair value of the derivatives with a hedge relationship with positive market values of € 58.6 million (previous year: € 112.1 million), € 65.9 million (previous year: € 107.8 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 € 36.5 million (previous year: € 32.2 million), € 46.9 million (previous year: € 25.7 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 € 37.8 million (previous year: € 36.7 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 recognized amounts therefore approximate fair value.

Net result by measurement categories:

↗ **T.33** (€ million)

	2022	**2021**
Financial assets at amortized cost (AC)	26.0	-5.8
Financial liabilities at amortized cost (AC)	-7.1	-6.5
Derivatives without hedge relationship measured at fair value through profit or loss (FVPL)	-47.6	-10.0
Financial assets measured at fair value through other comprehensive income (FVOCI)	-3.4	-6.2
Total	**-32.1**	**-28.5**

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.

The net result includes interest income of € 31.8 million (previous year: € 11.4 million) and interest expenses of € 15.2 million (previous year: € 12.9 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, 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 the financial year 2022, there was no relevant concentration of the 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 program 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 the requesting of 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 2022, no individual customers accounted for more than 10% of trade receivables.

The central Treasury department has a comprehensive overview of the banks engaged in this context for currency hedging instruments and for 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 currency-related derivative financial instruments with a positive market value of € 118.3 million in 2022 (previous year: € 130.1 million). The maximum default risk for an individual bank from such assets amounted to € 24.8 million (previous year: € 22.4 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. The criteria for offsetting them in the balance sheet are therefore not met.

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

↗ T.34 (€ million)

	2022	2021
Assets		
Gross amounts of financial assets recognized in the balance sheet	118.3	130.1
Financial instruments that qualify for offsetting	0.0	0.0
= Net book value of financial assets	**118.3**	130.1
Offsettable on the basis of framework agreements	-50.6	-43.0
Total net value of financial assets	**67.7**	**87.1**

	2022	2021
Liabilities		
Gross amounts of financial liabilities recognized in the balance sheet	52.4	44.5
Financial instruments that qualify for offsetting	0.0	0.0
= Net book value of financial liabilities	**52.4**	**44.5**
Offsettable on the basis of framework agreements	-50.6	-43.0
Total net value of financial liabilities	**1.8**	**1.5**

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 € 1,271.0 million (previous year: € 1,322.0 million).

No financial liabilities were utilized from credit lines granted only until further notice. Unutilized credit lines totaled € 943.7 million as of December 31, 2022, compared to € 942.0 million in the previous year.

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

The following table shows the contractual residual maturities of the financial liabilities as of the reporting date, including estimated interest payments. These are non-discounted gross amounts, but exclude presentation of the effects of offsetting:

↗ T.35 CASH FLOWS FROM NON-DERIVATIVE AND DERIVATIVE FINANCIAL LIABILITIES (€ million)

	Carrying amount 2022	Cashflow 2023		Cashflow 2024		Cashflow 2025 et seq.	
		Interest	Repayment	Interest	Repayment	Interest	Repayment
Non-derivative financial liabilities							
Financial liabilities	327.4	2.4	75.9	1.6	125.0	1.3	126.5
Trade payables	1,734.9		1,734.9				
Other liabilities	37.5		36.5		0.8		0.2
Derivative financial liabilities and assets							
Cash inflow from derivative financial instruments			4,346.0		792.6		
Cash outflow from derivative financial instruments			4,258.9		789.7		

The following values were determined in the previous year:

↗ T.36 CASH FLOWS FROM NON-DERIVATIVE AND DERIVATIVE FINANCIAL LIABILITIES (€ million)

	Carrying amount 2021	Cashflow 2022		Cashflow 2023		Cashflow 2024 et seq.	
		Interest	Repayment	Interest	Repayment	Interest	Repayment
Non-derivative financial liabilities							
Financial liabilities	380.0	2.4	68.5	2.1	60.0	2.8	251.5
Trade payables	1,176.4		1,176.4				
Other liabilities	22.5		22.1		0.2		0.2
Derivative financial liabilities and assets							
Cash inflow from derivative financial instruments			3,730.6		674.1		
Cash outflow from derivative financial instruments			3,658.9		665.3		

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 objective of market risk management is to manage and control the market risk within acceptable bandwidths while optimizing 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 the financial year 2022, PUMA designated currency hedges as cash flow hedges 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 currency forward transactions 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. Currency forward transactions 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 the currency risk of currency forward transactions, the Group designates the spot rate and, in the case of options contracts, the intrinsic value. 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 currency, amount and 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 retrogradely 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.

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

T.37 (€ million)

as of December 31, 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 transactions	1,833.9	-171.9	-181.6
Net risk	**-138.7**	**9.1**	**51.9**

T.38 (€ million)

as of December 31, 2021	USD	GBP	JPY
Risk from forecast transactions	-1,562.3	168.7	166.2
Balance sheet risk	-380.2	39.0	39.7
Total gross risk	**-1,942.5**	**207.7**	**206.0**
Hedged with currency forward transactions	1,902.4	-197.2	-194.8
Net risk	**-40.1**	**10.5**	**11.1**

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

The nominal amounts of open exchange rate-hedging transactions, which relate mainly to cash flow hedges, refer primarily to currency forward transactions in a total amount of € 3,792.6 million (previous year: € 3,730.4 million). These underlying transactions are expected to generate cash flows in 2023 and 2024.

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

T.39 (€ million)

	2022	2021
Currency forward transactions	118.3	129.0
Currency options	0.0	1.1
Currency hedging contracts, assets (see chapters 6 and 12)	**118.3**	**130.1**
Currency forward transactions	52.4	44.5
Currency hedging contracts, liabilities (see chapter 13)	**52.4**	**44.5**
Net	**66.0**	**85.5**

The net risk position and the average hedged rates of the currency forward transactions are as follows:

↗ T.40

	2022		2021	
	Current	Non-current	Current	Non-current
Currency risk				
Net risk position (€ million)	**1,167.5**	**508.2**	**1,246.7**	**420.7**
Currency forward transactions				
Average EUR/USD exchange rate	1.092	1.069	1.206	1.161
Average EUR/GBP exchange rate	0.864	0.880	0.865	0.858
Average EUR/JPY exchange rate	133.205	137.338	128.957	130.577

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.41** (€ million)

	Change in value for the calculation of hedge ineffectiveness	Reserve for cash flow hedges	Balances remaining in the cash flow hedging reserve from hedging relationships to which hedge accounting is no longer applied
As of December 31, 2022			
Currency risk – sales transactions	-31.1	29.8	0.0
Currency risk – sourcing transactions	188.1	-15.7	0.0
As of December 31, 2021			
Currency risk – sales transactions	5.0	-8.2	0.0
Currency risk – sourcing transactions	123.5	86.3	0.0

The amounts relating to items designated as hedging instruments and the ineffectiveness of the hedging relationships are as follows:

↗ **T.42** (€ million)

	Nominal value	Carrying amount			In financial year 2022					
		Assets	Liabilities	Items 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 relationship, recognized in the income statement	Items in 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 December 31, 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
					In financial year 2021					
As of December 31, 2021										
Currency risk – sales transactions	1,306.9	17.0	-25.2	Other current/ non-current financial assets/ liabilities	-5.0	-	Financial expenses	-	11.2	Cost of sales
Currency risk – sourcing transactions	2,150.3	90.8	-0.5		-123.5	-		9.8	-68.2	Cost of sales

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

↗ T.43 (€ million)

	2022	2021
Cash flow hedging reserve as of Jan 1	**78.1**	**-87.6**
Change in fair value	157.0	128.4
Amount included in the acquisition cost of non-financial assets	-91.9	-9.8
Amount reclassified to the income statement	-128.2	56.2
Tax effect	-0.7	-9.2
Cash flow hedging reserve as of Dec 31	**14.2**	78.1

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 hedging 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. In 2022, this primarily concerned the EUR/RUB currency pair. An amount of € -14.8 million across all currency pairs (previous year: € -2.9 million) was recognized as a loss in the income statement.

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 hedging 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.44 (€ million)

As of December 31, 2022	USD	GBP	JPY
Nominal amounts of outstanding currency forward transactions	2,428.2	-205.7	-233.8
Net risk position	**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

↗ T.45 (€ million)

As of December 31, 2021	USD	GBP	JPY
Nominal amounts of outstanding currency forward transactions	2,404.6	-234.2	-253.6
Net risk position	**EUR +10%**	**EUR +10%**	**EUR +10%**
Equity	-280.9	22.5	15.6
Profit or loss	7.2	-0.3	-0.3
	EUR -10%	**EUR -10%**	**EUR -10%**
Equity	136.4	-18.0	-24.3
Profit or loss	-8.7	0.4	0.3

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

Changes in market interest rates around the world have an impact on future interest payments for variable interest liabilities. As PUMA does not have any significant variable interest liabilities, any significant interest-rate increases are not likely to have a material negative impact on the business development of PUMA. Interest rate hedging instruments are therefore not required.

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.46** (€ million)

	Germany	Great Britain	Other Companies	PUMA Group
Present Value of Pension Obligation 12/31/2022				
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 following values were determined in the previous year:

↗ **T.47** (€ million)

	Germany	Great Britain	Other Companies	PUMA Group
Present Value of Pension Obligation 12/31/2021				
Salary-based obligations				
Annuity	0.0	0.0	10.0	10.0
One-off payment	0.0	0.0	9.7	9.7
Non-salary-based obligations				
Annuity	43.5	51.4	0.0	94.9
One-off payment	7.7	0.0	0.0	7.7
Total	**51.2**	**51.4**	**19.7**	**122.3**

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 € 56.8 million at the end of 2022 (previous year: € 51.2 million) and thus comprises 54.5% of the total obligation. The fair value of the plan assets relative to domestic obligations amounts to € 49.2 million. The corresponding pension provision amounts to € 7.6 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 capitalization of the old-age pension is permitted. There are statutory minimum funding requirements. The obligations regarding pension claims under the defined benefit plan in Great Britain amount to € 29.6 million at the end of 2022 (previous year: € 51.4 million) and thus accounts for 28.4% of the total obligation. The obligation is covered by assets amounting to € 28.5 million. The provision amounts to € 1.1 million.

The changes in the present value of pension obligaton are as follows:

↗ T.48 (€ million)

	2022	2021
Present Value of Pension Obligation January 1	**122.3**	**111.7**
Cost of the pension obligation earned in the reporting year	2.5	2.6
Interest expense on pension obligation	1.9	1.4
Employee contributions	8.3	8.3
Benefits paid	-3.4	-3.3
Effects from transfers	0.0	0.1
Actuarial gains (-) and losses	-25.1	-2.0
Currency exchange effects	-2.2	3.5
Present Value of Pension Obligation December 31	**104.3**	**122.3**

The changes in the plan assets are as follows:

↗ T.49 (€ million)

	2022	2021
Plan Assets January 1	**90.7**	**73.5**
Interest income on plan assets	1.4	0.9
Actuarial gains and losses (-)	-15.0	1.9
Employer contributions	1.0	5.6
Employee contributions	8.3	8.3
Benefits paid	-2.3	-2.3
Currency exchange effects	-1.7	2.8
Plan Assets December 31	**82.4**	**90.7**

The pension provision for the Group is derived as follows:

↗ **T.50** (€ million)

	2022	2021
Present value of pension obligation from benefit plans	104.3	122.3
Fair value of plan assets	-82.4	-90.7
Financing Status	**21.9**	**31.6**
Pension Provision December 31	**21.9**	**31.6**
of which, assets	0.5	0.3
of which, liabilities	22.4	31.9

In 2022, benefits paid amounted to € 3.4 million (previous year: € 3.3 million). Contributions in 2023 are expected to amount to € 2.8 million. Of this, € 1.0 million is expected to be paid directly by the employer. Employer contributions to external plan assets amounted to € 1.0 million in 2022 (previous year: € 5.6 million). Employer contributions in 2023 are expected to amount to € 0.4 million.

The changes in pension provisions are as follows:

↗ **T.51** (€ million)

	2022	2021
Pension Provision January 1	**31.6**	**38.2**
Pension expense	3.0	3.1
Actuarial gains (-) and losses recorded in Other Comprehensive Income	-10.1	-3.9
Employer contributions	-1.0	-5.6
Direct pension payments made by the employer	-1.1	-1.0
Transfer values	0.0	0.1
Currency exchange differences	-0.5	0.7
Pension Provision December 31	**21.9**	**31.6**
of which, assets	0.5	0.3
of which, liabilities	22.4	31.9

The expenses in the 2022 financial year are structured as follows:

↗ T.52 (€ million)

	2022	2021
Cost of the pension obligation earned in the reporting year	2.5	2.6
Past service costs	0.0	0.0
Income (-) and expenses from plan settlements	0.0	0.0
Interest expense on pension obligation	1.9	1.4
Interest income on plan assets	-1.4	-0.9
Administration costs	0.0	0.0
Expenses for Defined Benefit Plans	**3.0**	**3.1**
of which, personnel costs	2.5	2.6
of which, financial costs	0.5	0.5

In addition to the defined benefit pension plans, PUMA also makes contributions to defined contribution plans. Payments for the financial year 2022 amounted to € 18.5 million (previous year: € 15.0 million).

Actuarial gains and losses recorded in Other Comprehensive Income:

↗ T.53 (€ million)

	2022	2021
Revaluation of Pension Commitments	**-25.1**	**-2.0**
Actuarial gains (-) and losses resulting from changes in demographic assumptions	-0.1	0.5
Actuarial gains (-) and losses resulting from changes in financial assumptions	-30.3	-2.7
Actuarial gains (-) and losses due to adjustments based on experience	5.3	0.2
Revaluation of Plan Assets	**15.0**	**-1.9**
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	**-10.1**	**-3.9**

Plan assets investment classes:

↗ **T.54** (€ million)

	2022	2021
Cash and cash equivalents	0.1	6.6
Equity instruments	5.5	0.8
Bonds	3.5	7.1
Investment funds	3.0	14.0
Derivatives	11.6	9.2
Real estate	2.9	4.8
Insurance	49.4	40.8
Other	6.4	7.4
Total Plan Assets	**82.4**	**90.7**

Of which, investment classes with a quoted market price:

↗ **T.55** (€ million)

	2022	2021
Cash and cash equivalents	0.1	6.6
Equity instruments	5.5	0.8
Bonds	3.5	7.1
Investment funds	3.0	14.0
Derivatives	11.6	9.2
Real estate	2.1	4.3
Insurance	0.0	0.0
Other	6.3	7.3
Plan Assets with a quoted Market Price	**32.1**	**49.3**

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.

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

↗ T.56

	2022	2021
Discount rate	4.35%	1.62%
Future pension increases	2.00%	2.28%
Future salary increases	2.06%	1.66%

The indicated values are weighted average values. A standard interest rate of 4.00% was applied for the eurozone (previous year: 1.10%).

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.57 (€ million)

	2022	2021
Effect on present value of pension obligations if		
the discount rate were 50 basis points higher	-3.7	-7.1
the discount rate were 50 basis points lower	4.1	8.1

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 commitments is around 11 years (previous year: around 16 years).

16. OTHER PROVISIONS

↗ **T.58** (€ million)

Provisions for:	2021	Currency adjustments, retransfers	Addition	Utilization	Reversal	**2022**	**2022** Of which, non-current	2021 Of which, non-current
Warranties	1.7	0.5	1.1	-0.6	0.0	**2.7**	0.0	0.0
Purchasing risks	6.8	-0.3	5.8	-5.0	-0.3	**7.1**	0.0	0.0
Litigation risks	31.0	-0.9	6.8	-3.2	-7.0	**26.6**	8.4	9.1
Restoration obligations	13.1	0.2	4.3	-0.3	-0.3	**17.0**	14.1	9.9
Personnel provisions	18.7	-0.1	0.2	-10.9	-1.0	**7.0**	7.0	18.7
Other	14.5	0.2	15.6	-6.6	-4.5	**19.3**	0.0	0.2
Total	**85.9**	**-0.3**	**33.7**	**-26.4**	**-13.1**	**79.8**	29.5	37.9

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 molds that are required for the manufacturing of shoes.

Personnel provisions mainly relate to short- and long-term 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 measurement 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.59

	2022	2021
Outstanding shares as of January 1, share	**149,605,600**	**149,583,859**
Issue of Treasury Stock	153,044	21,741
Outstanding shares as of December 31, share	**149,758,644**	**149,605,600**

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 recognized in other comprehensive income are recognized 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 € 14.2 million (previous year: € 78.1 million) is offset by deferred taxes of € -4.8 million (previous year: € -4.1 million).

TREASURY STOCK

The resolution adopted by the Annual General Meeting on May 7, 2020 authorized the Company to purchase treasury shares up to a value of 10% of the share capital until May 6, 2025. By resolution of the Annual General Meeting of May 5, 2021 the Supervisory Board was authorized 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 May 11, 2022 the Management Board was, moreover, authorized 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 programs 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 may not exceed 10% or fall below 20% of the 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 authorization to purchase treasury stock during the reporting period.

As of the balance sheet date, the Company holds a total of 1,065,996 PUMA shares in its own portfolio, which corresponds to 0.71% of the subscribed capital.

AUTHORIZED CAPITAL

As of December 31, 2022, the Company's Articles of Association provide for authorized capital totaling € 30,000,000.00:

Pursuant to Section 4.2. of the Articles of Association, the Management Board is authorized, with the consent of the Supervisory Board, to increase the Company's share capital by May 4, 2026 by up to € 30,000,000.00 (Authorized 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 authorized, 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 authorized capital in the current reporting period.

CONDITIONAL CAPITAL

By resolution of the Annual General Meeting of May 11, 2022, the Management Board was authorized until May 10, 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 authorization to date.

DIVIDENDS

The amounts eligible for distribution relate to the retained earnings of PUMA SE, which is 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: € 0.72) per circulating share, or a total of € 122.8 million (with respect to the circulating shares as of December 31, 2022), be distributed to the shareholders from the retained earnings of PUMA SE for the financial year 2022.

Proposed appropriation of the retained earnings of PUMA SE:

↗ **T.60**

	2022	2021
Retained earnings of PUMA SE as of December 31, € million	499.4	490.1
Retained earnings available for distribution, € million	499.4	490.1
Dividend per share, €	0.82	0.72
Number of outstanding shares*	149,758,644	149,608,861
Total dividend*, € million	122.8	107.7
Carried forward to the new accounting period*, € million	376.6	382.4

* 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 shown in the consolidated balance sheet as well as the reconciliation statement concerning "Changes in Equity."

18. MANAGEMENT INCENTIVE PROGRAMS

In order to bind the management to the company by a long-term incentive, virtual shares with cash settlement and other long-term incentive programs are used at PUMA.

The current programs 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 program. 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 program will expire and be replaced by the Performance Share Plan. In the financial year 2022, only one member of the Management Board received shares from this program, doing so for the last time.

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 program. 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 financial year 2022, the DAX index acts as the basis for calculating virtual shares.

In the financial year 2022, income of € 0.9 million was recorded for this purpose on the basis of the employment contract commitments to the Management Board members (previous year: expense of € 8.7 million).

↗ T.61 VIRTUAL SHARES, MEMBERS OF THE MANAGEMENT BOARD

Plan	**MUP**	**MUP**	**MUP**	**MUP**	**PSP**	**MUP**	**PSP**	
Issue date	**01/01/2018**	**01/01/2019**	**01/01/2020**	**01/01/2021**	**01/01/2021**	**01/01/2022**	**01/01/2022**	
Term	5	5	5	5	4.25	5	4.25	Years
Vesting period	3	3	3	3	4	3	4	Years
Base price PUMA share at issue	37.10	44.40	67.69	86.23	86.23	106.95	106.95	EUR/share
Reference value PUMA share at the end of the financial year	0	0	51.86	51.86	56.34	51.86	53.61	EUR/share
Weighted share price at the time of exercise	102.88	102.88	0	0	0	0	0	EUR/share
Participants in year of issue	3	3	3	3	2	1	3	Persons
Participants at the end of the financial year	0	0	3	3	2	1	3	Persons
Number of monetary units/virtual shares as of 1/1/2022	2,000	97,320	62,743	47,351	7,070	30,968	16,458	Shares
Number of monetary units/virtual shares exercised in the FY	-2,000	-97,320	0	0	0	0	0	Shares
Number of monetary units/virtual shares expired in the FY	0	0	0	-12,803	0	-20,645	0	Shares
Final number of monetary units as of 12/31/2022	**0**	**0**	**62,743**	**34,548**	**7,070**	**10,323**	**16,458**	**Shares**

In the financial year 2019, a stock split was performed with a ratio of 1:10. As a result of this, all past share values were divided by a factor of 10 and all monetary units were multiplied by a factor of 10.

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 share price of the last thirty trading days in 2022 and taking into account the intra-year exercises in 2022, the provisions for these programs amounted to € 5.8 million at the end of the financial year (previous year: € 17.0 million).

EXPLANATION OF THE "GAME CHANGER 2.0" PROGRAM

In 2018, the Long-Term Incentive Program (LTIP) "Game Changer 2.0" was launched. Participants in this program consist mainly of top executives reporting to the Management Board and individual key positions in the PUMA Group. The objective of this program 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 for EBIT, cash flow or working capital as a percentage of sales, and 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, 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 200% or 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 – 2022" PROGRAM

In 2019, the global "Game Changer 2.0 – 2022" program, 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 200% of the granted proportionate target amount (cap).

In the reporting year, an amount of € 5.1 million (of which, € 3.3 million from the Performance Share Plan) was paid out to the participants. The payment was subject to the condition that the individual participant was in an unterminated employment relationship with a company in the PUMA Group as of December 31, 2021. No further expenses were incurred and no amounts released for this program in the reporting year. No further provision exists for this program.

EXPLANATION OF THE "GAME CHANGER 2.0 – 2023" PROGRAM

In 2020, the global "Game Changer 2.0 – 2023" program, 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). It requires employment up to December 31, 2022. In the reporting year, a prorated amount of € 0.2 million was released as a provision for this program (previous year: € 2.1 million addition). This resulted in a provision for this program at the end of the financial year of € 2.8 million (previous year: € 3.0 million). The Performance Share Plan portion accounted for € 1.3 million (previous year: € 1.9 million).

EXPLANATION OF THE "GAME CHANGER 2.0 – 2024" PROGRAM

In 2021, the global "Game Changer 2.0 – 2024" program, 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). It requires employment up to December 31, 2023. In the reporting year, a prorated amount of € 0.5 million (previous year: € 2.0 million) was set aside for this program. This resulted in a provision for this program at the end of the financial year of € 2.5 million (previous year: € 2.0 million). The Performance Share Plan portion accounted for € 0.8 million (previous year: € 0.9 million).

EXPLANATION OF THE "ROAD 2 10B" PROGRAM

In 2022, the "Game Changer 2.0" program was replaced by the long-term incentive program (LTIP) "Road 2 10B". Participants in this program consist of important professionals and managers within the PUMA Group. The objective of this program 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 program 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 program 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, € 4.7 million (of which, € 0.6 million for the Performance Share Plan) was set aside for this program on a pro rata basis.

↗ T.62 VIRTUAL SHARES, NON-MANAGEMENT BOARD MEMBERS

Program addendum	Game Changer 2022	Game Changer 2023	Game Changer 2024	Road 2 10b	
Issue date	01/01/2019	01/01/2020	01/01/2021	01/01/2022	
Term	5	5	5	5	Years
Vesting period	3	3	3	3	Years
Base price at program start	44.40	67.69	86.23	106.95	EUR/share
Reference value at the end of the financial year	0	51.86	51.86	18.56	EUR/share
Weighted share price at the time of exercise	88.80	0	0	0	EUR/share
Participants in year of issue	64	60	76	486	Persons
Participants at the end of the financial year	0	55	70	486	Persons
Number of “virtual shares” as of 1/1/2022	37,525	26,952	24,809	103,352	Shares
Number of “virtual shares” expired in the FY	0	-2,405	-1,469	0	Shares
Number of “virtual shares” exercised in the FY	-37,525	0	0	0	Shares
Final number of “virtual shares” as of 12/31/2022	0	24,547	23,340	103,352	Shares

In the financial year 2019, a stock split was performed with a ratio of 1:10. As a result of this, all past share values were divided by a factor of 10 and all virtual shares were multiplied by a factor of 10.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

19. SALES

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

↗ **T.63 BREAKDOWN BY DISTRIBUTION CHANNEL** (€ million)

	2022	2021
Wholesale	6,513.7	5,080.6
Direct-to-consumer (DTC)	1,951.4	1,724.8
Total	**8,465.1**	**6,805.4**

Sales are also broken down by product division as follows:

↗ **T.64 BREAKDOWN BY PRODUCT DIVISION** (€ million)

	2022	2021
Footwear	4,317.9	3,163.6
Apparel	2,896.3	2,517.3
Accessories	1,251.0	1,124.5
Total	**8,465.1**	**6,805.4**

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.65** (€ million)

	2022	2021
Sales and distribution expenses	2,677.2	2,207.4
Product management/merchandising	70.9	52.8
Research and development	82.2	61.7
Administrative and general expenses	465.8	405.2
Other operating expenses	**3,296.0**	**2,727.2**
Other operating income	**0.1**	**2.6**
Total	**3,295.9**	**2,724.6**
Of which, personnel expenses	836.3	704.3
Of which, scheduled depreciation	332.8	287.3
Of which, impairment expenses	26.0	18.5

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 losses in the reporting year were attributable to right-of-use assets in the amount of € 25.4 million and to property, plant and equipment in the amount of € 0.6 million. In the previous year, impairment losses amounted to € 18.5 million and were attributable exclusively to right-of-use assets.

In the consolidated financial statements of PUMA SE, fees of € 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 auditing services for the annual and consolidated financial statements and for the review of the half-year financial report in the amount of € 1.8 million and other audit opinion services in the amount of € 0.1 million. In addition to the expenses for PUMA SE, the fees also include the fees for the domestic and foreign subsidiaries audited directly by the auditor of the consolidated financial statements.

In the financial year 2022, government grants amounted to a sum in the low double-digit (previous year: mid-single-digit) millions, of which, a small proportion relates to grants associated with the global COVID-19 pandemic. Government grants are deducted from the corresponding expenses.

Other operating income comprises income from the sale of fixed assets in the amount of € 0.1 million (previous year: € 2.6 million).

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

↗ T.66 (€ million)

	2022	2021
Wages and salaries	649.8	542.0
Social security contributions	91.9	78.6
Expenses from share-based payments with cash compensation	5.1	15.1
Expenses for retirement pension and other personnel expenses	89.5	68.6
Total	**836.3**	**704.3**

In addition, cost of sales includes personnel costs in the amount of € 10.2 million (previous year: € 8.1 million).

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

↗ T.67 EMPLOYEES

	2022	2021
Marketing/retail/sales	12,229	10,945
Research & development/product management	1,228	1,097
Administrative and general units	3,213	2,804
Total annual average	**16,669**	**14,846**

As of the end of the year, a total of 18,071 individuals were employed (previous year: 16,125).

21. FINANCIAL RESULT

The financial result consists of:

↗ **T.68** (€ million)

	2022	2021
Interest income	32.3	11.9
Other	47.1	18.0
Financial income	**79.4**	**29.9**
Interest expense	-15.2	-12.9
Interest expense – Leasing liability	-38.6	-31.5
Valuation of pension plans	-0.6	-0.5
Expenses from currency-conversion differences, net	-2.2	-9.0
Other	-111.7	-27.7
Financial expenses	**-168.3**	**-81.7**
Financial result	**-88.9**	**-51.8**

The item "Other" in financial income exclusively comprises interest components relating to currency derivatives of € 47.1 million (previous year: € 18.0 million).

The item "Expenses from currency-conversion differences" includes expenses from currency-conversion differences in the amount of € 2.2 million (previous year: € 9.0 million), which are to be allocated to the financing area.

The item "Other" in financial expenses includes, among other things, interest components in connection with currency derivatives in the amount of € 69.9 million (previous year: € 27.7 million) and the loss on the net monetary position associated with hyperinflation in the amount of € 27.8 million.

22. INCOME TAXES

↗ **T.69** (€ million)

	2022	2021
Current income taxes		
Germany	19.4	13.6
Other countries	133.2	112.3
Total current income taxes	**152.5**	**125.9**
Deferred taxes	**-25.1**	**2.7**
Total	**127.4**	**128.5**

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.70** (€ million)

	2022	2021
Earnings before income tax	**551.7**	**505.3**
Theoretical tax expense		
Tax rate of the SE = 27.22% (previous year: 27.22%)	150.2	137.5
Tax rate difference with respect to other countries	-6.9	-15.8
Other tax effects:		
Income tax for previous years	-9.7	0.5
Losses and temporary differences for which no tax claims were recognized	4.8	2.2
Changes in tax rates	-0.6	-2.4
Non-deductible expenses for tax purposes and non-taxable income and other effects	-10.4	6.5
Effective tax expense	**127.4**	**128.5**
Effective tax rate	23.1%	25.4%

For the financial year 2022, the total tax advantage from previously uncapitalized tax losses, tax credits or temporary differences from previous years which led to a reduction in deferred tax expenses, amounted to € 7.0 million (previous year: € 0.0 million). Deferred tax expenses due to an impairment of deferred tax assets amounted to € 5.0 million in the financial year (previous year: € 2.5 million).

The tax effect resulting from items that were directly included in other comprehensive income can be found in chapter 8.

Various agreements have been reached at the global level to address concerns about the unequal distribution of profits and the unequal tax levies on large multinational companies, including an agreement reached by over 135 countries on the introduction of a global minimum tax rate of 15%. In December 2021, the OECD published a draft legal framework, followed by detailed guidelines in March 2022. These are to be used by the individual countries that have signed the agreement to amend their local tax laws. As soon as the changes to the tax laws in the countries in which the Group operates start to apply, or is scheduled to apply shortly, the Group may be subject to the minimum tax. At the time of the approval of the consolidated financial statements for publication, the tax legislation relating to the minimum tax either does not apply in one of the countries in which the Group operates, nor is it scheduled to apply there shortly. The Management Board is closely following the progress of the legislative process in each country in which the Group operates. As of December 31, 2022, the Group did not have sufficient information to determine the potential quantitative impact.

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.71

	2022	2021
Net earnings € million	353.5	309.6
Weighted average number of outstanding shares, shares	149,649,158	149,598,722
Earnings per share (€)	**2.36**	**2.07**
Consolidated net earnings for calculating the diluted earnings per share (€ million)	353.5	309.6
Weighted average number of outstanding shares, shares	149,649,158	149,598,722
Dilutive effect of conditionally issuable shares in connection with service agreements	12,107	2,841
Dilutive effect from share-based payments	2,573	809
Weighted average number of outstanding shares, diluted	149,663,837	149,602,372
Earnings per share, diluted (€)	**2.36**	**2.07**

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 centralized 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 € 38.3 million (previous year: € 39.2 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 recognized 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 2022

↗ T.72 BUSINESS SEGMENTS (€ million)

	External Sales		EBIT		Investments	
	1-12/2022	1-12/2021	**1-12/2022**	1-12/2021	**1-12/2022**	1-12/2021
Europe	1,922.5	1,523.6	242.0	146.1	33.6	58.5
EEMEA	1,333.3	975.1	308.5	214.6	30.2	34.8
North America	2,531.4	1,969.2	398.9	394.8	67.6	20.1
Latin America	1,098.3	630.9	285.2	151.6	34.6	14.1
Greater China	521.3	766.9	20.2	137.8	20.3	15.9
Asia/Pacific (excluding Greater China)	588.5	533.4	73.4	61.2	7.2	7.3
stichd	469.8	406.2	113.2	101.7	21.2	20.9
Total business segments	**8,465.1**	**6,805.4**	**1,441.2**	**1,207.7**	**214.7**	**171.6**

	Depreciation and amortization		Inventories		Trade Receivables (third parties)	
	1-12/2022	1-12/2021	**1-12/2022**	1-12/2021	**1-12/2022**	1-12/2021
Europe	58.5	54.4	602.5	364.6	190.3	164.3
EEMEA	55.8	43.7	378.5	221.0	189.4	126.2
North America	71.2	56.0	739.3	469.9	259.2	187.1
Latin America	23.1	14.8	253.1	140.3	200.7	120.4
Greater China	39.7	39.4	179.1	200.5	44.5	65.9
Asia/Pacific (excluding Greater China)	31.6	32.2	114.7	84.5	111.4	119.5
stichd	8.3	7.8	93.9	79.1	66.1	61.7
Total business segments	**288.2**	**248.4**	**2,361.1**	**1,559.8**	**1,061.6**	**845.1**

↗ T.73 CONTINUATION BUSINESS SEGMENTS (€ million)

	Non-current assets	
	1-12/2022	1-12/2021
Europe	477.1	474.6
EEMEA	198.1	164.8
North America	750.4	534.4
Latin America	128.2	75.0
Greater China	86.2	79.1
Asia/Pacific (excluding Greater China)	149.4	158.3
stichd	209.6	194.1
Total business segments	**1,999.1**	**1,680.4**

↗ T.74 PRODUCT External Sales (€ million) Gross Profit Margin (in %)

	External Sales		Gross Profit Margin	
	1-12/2022	1-12/2021	**1-12/2022**	1-12/2021
Footwear	4,317.9	3,163.6	44.9%	47.3%
Apparel	2,896.3	2,517.3	47.3%	48.9%
Accessories	1,251.0	1,124.5	47.4%	47.1%
Total	**8,465.1**	**6,805.4**	**46.1%**	**47.9%**

RECONCILIATIONS

↗ T.75 RECONCILIATIONS (€ million)

	EBIT	
	1-12/2022	1-12/2021
Total business segments	**1,441.2**	**1,207.7**
Central areas	-364.4	-280.4
Central expenses Marketing	-436.2	-370.2
Consolidation	0.0	0.0
EBIT	**640.6**	**557.1**
Financial result	**-88.9**	**-51.8**
EBT	**551.7**	**505.3**

	Investments		Depreciation and amortization	
	1-12/2022	1-12/2021	1-12/2022	1-12/2021
Total business segments	**214.7**	**171.6**	**288.2**	**248.4**
Central areas	49.3	35.9	44.6	39.0
Consolidation	0.0	0.0	0.0	0.0
Total	**263.9**	**207.5**	**332.8**	**287.3**

	Inventories		Trade Receivables (third parties)		Non-current assets	
	1-12/2022	1-12/2021	1-12/2022	1-12/2021	1-12/2022	1-12/2021
Total business segments	**2,361.1**	**1,559.8**	**1,061.6**	**845.1**	**1,999.1**	**1,680.4**
Not allocated to the business segments	-116.0	-67.6	3.3	2.9	211.0	204.4
Total	**2,245.1**	**1,492.2**	**1,064.9**	**848.0**	**2,210.1**	**1,884.8**

GEOGRAPHICAL INFORMATION

Sales revenue (with third parties) is reported in the geographical market in which it is 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.76 GEOGRAPHICAL INFORMATION BY COUNTRY (€ million) *

	External Sales		Non-current assets	
	1-12/2022	1-12/2021	**1-12/2022**	1-12/2021
Germany, Europe	**586.3**	475.6	**488.3**	482.7
USA, North America	**2,334.2**	1,785.1	**604.7**	424.4

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 balance sheet 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 7.44A:

↗ T.77 RECONCILIATION OF FINANCIAL LIABILITIES TO THE CASH INFLOW/ OUTFLOW FROM FINANCING ACTIVITIES 2022 (€ million)

			Non-cash changes			
	Notes	**Balance 01/01/2022**	Currency changes	Other	**Cash changes**	**Balance 12/31/2022**
Financial liabilities						
Lease liabilities	10	1,023.4	12.1	385.0	-190.0	1,230.4
Current financial liabilities	13	68.5	-1.1	0.0	8.4	75.9
Non-current financial liabilities	13	311.5	0.0	0.0	-60.0	251.5
Total		**1,403.4**	**11.1**	**385.0**	**-241.6**	**1,557.8**

* Error correction, as no information was given in the previous year.

↗ T.78 RECONCILIATION OF FINANCIAL LIABILITIES TO THE CASH INFLOW/ OUTFLOW FROM FINANCING ACTIVITIES 2021 (€ million)

	Notes	Balance 01/01/2021	Non-cash changes: Currency changes	Non-cash changes: Other	Cash changes	Balance 12/31/2021
Financial liabilities						
Lease liabilities	10	931.7	38.9	213.7	-160.9	1,023.4
Current financial liabilities	13	121.4	0.5	0.0	-53.4	68.5
Non-current financial liabilities	13	145.0	0.0	0.0	166.5	311.5
Total		**1,198.1**	**39.4**	**213.7**	**-47.8**	**1,403.4**

The lease liabilities of € 1,230.4 million (previous year: € 1,023.4 million) are broken down into current lease liabilities of € 200.2 million (previous year: € 172.3 million) and non-current lease liabilities of € 1,030.3 million (previous year: € 851.0 million).

The non-current financial liabilities of € 251.5 million (previous year: € 311.5 million) are part of the other non-current financial liabilities.

26. OTHER FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

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.79 (€ million)

	2022	2021
From license, promotional and advertising agreements:		
2023 (2022)	348.6	301.3
2024-2027 (2023-2026)	781.1	650.4
from 2028 (from 2027)	130.8	205.4
Total	**1,260.5**	**1,157.1**

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 totaling € 186.8 million, of which, € 128.7 million relate to the years from 2024. These include service agreements of € 180.6 million as well as other obligations of € 6.2 million.

Individual PUMA companies are involved in legal disputes arising from normal business activities, e.g. relating to intellectual property rights and copyrights. 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 recognized as contingent liabilities. As of December 31, 2022, there were contingent liabilities of € 3.1 million. PUMA management believes the impact of this 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 the financial year 2022 was € 11.9 million (previous year: € 11.2 million).*

The total remuneration of the Management Board includes the share-based remuneration granted for the financial year with a fair value of € 3.0 million (previous year: € 3.8 million) and 30,968 (previous year: 47,339) virtual shares issued under the PUMA Monetary Unit Plan as well as a fair value of € 1.7 million (previous year: € 0.6 million) and 16,457 (previous year: 7,070) performance shares issued.

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 € 0.7 million in the financial year 2022 (previous year: € 1.2 million).

In addition, there were defined benefit pension obligations to former members of the Management Board and their widows/widowers amounting to € 2.5 million (previous year: € 3.1 million) as well as defined contribution plans from deferred compensation of former members of the Management Board and Managing Directors amounting to € 17.3 million (previous year: € 17.2 million). Both items were recognized as pension obligation within pension provisions to the extent they were not offset against plan assets of an equal amount.

SUPERVISORY BOARD COMPENSATION

The compensation paid to the Supervisory Board comprised fixed compensation and additional compensation for committee activities, and amounted to a total of € 0.2 million (previous year: € 0.2 million).

28. DISCLOSURES RELATED TO NON-CONTROLLING INTERESTS

The summarized 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.

* The comparative information has been adjusted in order to correct an error. The incorrect previous year's figure of € 10.5 million has been adjusted to € 11.2 million.

In the financial year 2022, the company PUMA United Aviation North America LLC was founded and assets were transferred to it. 30% of the shares were later sold. Accordingly, PUMA has a 70% share in the company's capital and its earnings.

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 and Janed Canada, LLC (inactive) and PUMA United Aviation North America LLC at € 67.1 million (previous year: € 65.2 million).

The following tables show a summary of the financial information for subsidiaries with non-controlling interests:

↗ T.80 **ASSETS AND LIABILITIES** (€ million)

	2022	**2021**
Current assets	105.8	105.1
Non-current assets	10.3	3.8
Current liabilities	40.4	39.5
Non-current liabilities	0.0	0.0
Net assets	75.7	69.5
Net assets attributable to non-controlling interests	67.1	65.2

↗ T.81 **INCOME STATEMENT** (€ million)

	2022	**2021**
Sales	452.2	422.9
Net income	72.0	67.9
Profit attributable to non-controlling interests	70.9	67.2
Other comprehensive income of non-controlling interests	4.1	4.3
Total comprehensive income of non-controlling interests	75.0	71.5
Dividends paid to non-controlling interests	73.3	47.8

↗ **T.82 CASH** (€ million)

	2022	**2021**
Net cash from operating activities	79.4	52.8
Net cash used in investing activities	0.0	0.0
Net cash used in financing activities	-80.1	-52.4
Changes in cash and cash equivalents	-0.4	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 December 31, 2022, 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 shareholding of Kering S.A. in PUMA SE amounts to 3.96% of share capital according to Kering's 2022 half-year financial report of July 27, 2022. The shareholding of Artémis S.A.S. and Kering S.A. together amounts to 32.48% of the share capital of PUMA SE. 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 the sale of goods and services.

The following overview illustrates the scope of the business relationships:

↗ **T.83** (€ million)

	Deliveries and services rendered		Deliveries and services received	
	2022	2021	**2022**	2021
Companies included in the Artémis Group	1.7	1.8	0.1	0.1
Other related companies and persons	0.0	0.0	0.0	0.0
Total	**1.7**	**1.8**	**0.1**	**0.1**

↗ **T.84** (€ million)

	Net receivables from		Liabilities to	
	2022	2021	**2022**	2021
Companies included in the Artémis Group	0.3	0.4	0.0	0.0
Other related companies and persons	0.0	0.0	0.0	0.0
Total	**0.3**	**0.4**	**0.0**	**0.0**

Receivables from related companies and persons are, with one exception, 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 the financial year 2022, the remuneration of the members of the Management Board of PUMA SE for short-term benefits amounted to € 7.2 million (previous year: € 6.8 million), for termination benefits to € 0.0 million (previous year: € 0.9 million) and the share-based payment € -0.5 million (previous year: € 9.3 million). Furthermore, no remuneration was granted in the form of other long-term benefits or in the form of post-employment benefits in the reporting year (previous year: € 0.0 million). Accordingly, the total expense for the reporting year amounted to € 6.7 million (previous year: € 17.0 million).

In the financial year 2022, the remuneration of the members of the Supervisory Board of PUMA SE for short-term benefits amounted to € 0.2 million (previous year: € 0.2 million).

30. CORPORATE GOVERNANCE

In November 2022, 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 AktG (Aktiengesetz, German Stock Corporation Act) and published it on the Company's website (www.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 February 2, 2023 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, February 2, 2023

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 STATEMENTS

↗ T.85 CHANGES IN FIXED ASSETS 2021 (€ million)

	Purchase costs						Accumulated depreciation						Carrying amounts	
	Balance 1/1/2021	Currency changes and other changes	Additions/ retransfers	Changes in group of consolidated companies	Disposals	Balance 12/31/2021	Balance 1/1/2021	Currency changes and other changes	Additions/ retransfers[1]	Changes in group of consolidated companies	Disposals	Balance 12/31/2021	Balance 12/31/2021	Balance 12/31/2020
PROPERTY, PLANT AND EQUIPMENT														
Land, land rights and buildings including buildings on third party land	190.3	5.8	6.3		-33.8	168.6	-58.3	-0.3	-6.4		18.0	-47.0	121.6	131.9
Technical equipment and machines	21.1	89.5	35.3		-0.8	145.2	-12.8	-1.2	-6.1		0.6	-19.5	125.7	8.4
Other equipment, factory and office equipment	494.9	36.6	78.5		-35.9	574.1	-340.3	-14.7	-70.7		34.6	-391.1	183.0	154.6
Payments on account and assets under construction	112.0	-108.3	40.5		-2.1	42.1							42.1	112.0
	818.3	**23.7**	**160.6**		**-72.6**	**930.0**	**-411.4**	**-16.2**	**-83.2**		**53.3**	**-457.6**	**472.4**	**406.9**

	Purchase costs						Accumulated depreciation						Carrying amounts	
	Balance 1/1/2021	Currency changes and other changes	Additions/ retransfers	Changes in group of consolidated companies	Disposals	Balance 12/31/2021	Balance 1/1/2021	Currency changes and other changes	Additions/ retransfers[1]	Changes in group of consolidated companies	Disposals	Balance 12/31/2021	Balance 12/31/2021	Balance 12/31/2020
RIGHT-OF-USE ASSETS														
Real Estate – Retail stores	537.2	26.5	130.9		-41.1	653.5	-182.0	-8.6	-115.1		35.1	-270.6	382.9	355.2
Real Estate – Warehouses & offices	566.5	18.6	100.7		-18.8	667.0	-102.2	-4.1	-70.3		15.4	-161.2	505.8	464.3
Others (technical equipment and machines and vehicles)	73.4	4.1	10.3		-18.8	69.1	-15.3	-0.5	-9.3		7.9	-17.2	51.9	58.1
	1,177.2	**49.2**	**241.9**		**-78.7**	**1,389.5**	**-299.6**	**-13.2**	**-194.7**		**58.5**	**-449.0**	**940.5**	**877.6**
INTANGIBLE ASSETS														
Goodwill	288.3	3.2				291.5	-46.8					-46.8	244.7	241.4
Intangible assets with an indefinite useful life	133.6	9.7				143.3	-17.7					-17.7	125.6	115.9
Other intangible assets	240.6	4.0	46.9		-15.0	276.5	-154.6	-0.8	-27.8		8.1	-175.1	101.6	86.1
	662.5	**16.9**	**46.9**		**-15.0**	**711.4**	**-219.1**	**-0.8**	**-27.8**		**8.1**	**-239.6**	**471.9**	**443.4**

1) In the financial year 2021 there was no impairment of property, plant and equipment (previous year: € 0.0 million, see chapter 9), an impairment of right-of-use assets of € 18.5 million (previous year: € 16.1 million, see chapter 10) and an impairment of intangible assets of € 0.0 million (previous year: € 1.9 million, see chapter 11).

↗ T.86 CHANGES IN FIXED ASSETS 2022 (€ million)

	Purchase costs						Accumulated depreciation						Carrying amounts	
	Balance 1/1/2022	Currency changes and other changes	Additions/ retransfers	Changes in group of consolidated companies	Disposals	Balance 12/31/2022	Balance 1/1/2022	Currency changes and other changes	Additions/ retransfers[1]	Changes in group of consolidated companies	Disposals	Balance 12/31/2022	Balance 12/31/2022	Balance 12/31/2021
PROPERTY, PLANT AND EQUIPMENT														
Land, land rights and buildings including buildings on third party land	168.6	5.9	0.9		-0.2	175.2	-47.0	-1.6	-6.0		0.1	-54.5	120.7	121.6
Technical equipment and machines	145.2	19.3	6.8		-0.5	170.8	-19.5	-9.2	-9.0		0.4	-37.3	133.5	125.7
Other equipment, factory and office equipment	574.1	64.4	112.7		-45.0	706.2	-391.1	-16.4	-79.3		43.6	-443.2	263.1	183.0
Payments on account and assets under construction	42.1	-44.0	79.5		-2.4	75.1		-0.1				-0.1	75.0	42.1
	930.0	**45.5**	**199.9**		**-48.1**	**1,127.3**	**-457.6**	**-27.4**	**-94.3**		**44.2**	**-535.2**	**592.2**	**472.4**

	Purchase costs						Accumulated depreciation						Carrying amounts	
	Balance 1/1/2022	Currency changes and other changes	Additions/ retransfers	Changes in group of consolidated companies	Disposals	Balance 12/31/2022	Balance 1/1/2022	Currency changes and other changes	Additions/ retransfers[1]	Changes in group of consolidated companies	Disposals	Balance 12/31/2022	Balance 12/31/2022	Balance 12/31/2021
RIGHT-OF-USE ASSETS														
Real Estate – Retail stores	653.5	13.3	187.1		-58.9	795.0	-270.6	-5.8	-135.5		47.8	-364.1	430.9	382.9
Real Estate – Warehouses & offices	667.0	8.4	188.8		-27.1	837.1	-161.2	-0.8	-82.1		20.1	-223.9	613.1	505.8
Others (technical equipment and machines and vehicles)	69.1	-7.1	29.5		-6.0	85.5	-17.2	3.6	-10.6		6.0	-18.2	67.3	51.9
	1,389.5	**14.6**	**405.4**		**-92.0**	**1,717.6**	**-449.0**	**-3.1**	**-228.1**		**73.9**	**-606.2**	**1,111.3**	**940.5**
INTANGIBLE ASSETS														
Goodwill	291.5	-2.2				289.3	-46.8	0.2				-46.6	242.7	244.7
Intangible assets with an indefinite useful life	143.2	7.8				151.0	-17.6					-17.6	133.4	125.6
Other intangible assets	276.6	2.7	64.0		-2.4	341.0	-175.1	-1.3	-36.3		2.2	-210.5	130.4	101.6
	711.4	**8.3**	**64.0**		**-2.4**	**781.2**	**-239.5**	**-1.2**	**-36.3**		**2.2**	**-274.7**	**506.5**	**471.9**

1) In the financial year 2022 there was an impairment of property, plant and equipment of € 0.6 million (previous year: € 0.0 million, see chapter 9), an impairment of right-of-use assets of € 25.4 million (previous year: € 18.5 million, see chapter 10) and no impairment of intangible assets (previous year: € 0.0 million, see chapter 11).

APPENDIX 2 OF THE CONSOLIDATED FINANCIAL STATEMENTS

MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD AND THEIR MANDATES STATUS: DECEMBER 31, 2022

MEMBERS OF THE MANAGEMENT BOARD AND THEIR MANDATES

Arne Freundt
Since November 8, 2022: Chief Executive Officer (CEO)

Hubert Hinterseher
Chief Financial Officer (CFO)

Anne-Laure Descours
Chief Sourcing Officer (CSO)

Bjørn Gulden (until December 31, 2022)
Membership of other supervisory boards and controlling bodies:

- Salling Group A/S, Brabrand/Denmark (Chair)
- Borussia Dortmund GmbH & Co. KGaA, Dortmund (until December 31, 2022)
- Tchibo GmbH, Hamburg
- Essity Aktiebolag (publ), Stockholm/Sweden

Maria Valdes (since January 1, 2023)
Chief Product Officer (CPO)

MEMBERS OF THE SUPERVISORY BOARD AND THEIR MANDATES

Héloïse Temple-Boyer (since April 18, 2019)
(since May 11, 2022: **Chair)**
Paris, France

Deputy CEO of ARTÉMIS S.A.S., Paris/France

Membership of other supervisory boards and controlling bodies[1]:

- Kering S.A., Paris/France
- Giambattista Valli S.A.S., Paris/ France
- Société d'exploitation de l'hebdomadaire le Point S.A., Paris/France
- ACHP Plc, London/United Kingdom
- Christie's International Plc, London/United Kingdom
- Palazzo Grassi S.p.A., Venice/Italy
- Compagnie du Ponant S.A.S., Marseille/France
- Pinault Collection, Paris/France
- Le Point Communication, Paris/France
- Arvag S.A.S., Marseille/France
- Garuda S.A., Paris/France
- Royalement Vôtre Editions S.A.S., Paris/France

1) All mandates are mandates within the ARTÈMIS-Group, with the exception of Royalement Vôtre Editions S.A.S. Kering S.A. is a listed company.

Thore Ohlsson (since May 21, 1993)
(Deputy Chair)
Falsterbo, Sweden

President of Elimexo AB, Falsterbo/Sweden

Membership of other supervisory boards and controlling bodies:

- Tomas Frick AB, Vellinge/Sweden
- Orrefors Kosta Boda AB, Kosta/Sweden
- Infinitive AB, Malmö/Sweden
- Friskvårdcenter AB, Malmö/Sweden
- Totestories AB, Vellinge/Sweden

Jean-François Palus (since June 16, 2007)
Paris, France

Group Managing Director and member of the Board of Directors of Kering S.A., Paris/France, responsible for Strategy, Operations and Organization

Membership of other supervisory boards and controlling bodies[2]:

- Kering Americas, Inc., New York/USA
- Guccio Gucci S.p.A., Florence/Italy
- Gucci America, Inc., New York/USA
- Kering Eyewear S.p.A., Padua/Italy
- Birdswan Solutions Ltd., Haywards Heath/West Sussex/United Kingdom
- Paintgate Ltd., Haywards Heath/West Sussex/United Kingdom
- Kering Asia Pacific Ltd., Hong-Kong/China
- Kering South East Asia Pte Ltd., Singapore
- Boucheron S.A.S., Paris/France
- Kering Beauté SAS, Paris/France
- Kering Canada Services Inc, Vancouver/Canada

2) All mandates are mandates within the Kering-Group. Kering S.A. is a listed company. All other companies within the Kering-Group are not listed.

Fiona May (since April 18, 2019)
Calenzano, Italy

Independent Management Consultant

Membership of other supervisory boards and controlling bodies:

- R.C.S. Media Group Active Team Srl, Milano/Italy

Martin Köppel (since July 25, 2011)
(Employees' Representative)
Weisendorf, Germany

Chair of the Works Council of PUMA SE

Bernd Illig (since July 9, 2018)
(Employees' Representative)
Bechhofen, Germany

Senior Administrator IT Systems of PUMA SE

SUPERVISORY BOARD COMMITTEES

Personnel Committee
- Héloïse Temple-Boyer (Chair) (since May 11, 2022)
- Fiona May
- Martin Köppel
- Jean-François Palus (until May 11, 2022)

Audit Committee
- Thore Ohlsson (Chair)
- Héloïse Temple-Boyer
- Bernd Illig

Nominating Committee
- Héloïse Temple-Boyer (since May 11, 2022: Chair)
- Jean-François Palus (until May 11, 2022: Chair)
- Fiona May

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 2022, 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, February 2, 2023

The Management Board

Freundt	Hinterseher	Descours	Valdes

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.

INDEPENDENT AUDITOR'S REPORT

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, 2022, 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, 2022, 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, 2022.

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, 2022, and of its financial performance for the financial year from January 1 to December 31, 2022, 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, 2022. 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 2022 report revenue of EUR 8,465.1 million. Revenue includes revenue of EUR 6,513.7 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 2022 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 1, 2 and 10 in the notes to the consolidated financial statements.

THE FINANCIAL STATEMENT RISK
As of December 31, 2022, right-of-use assets of EUR 1,111.3 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 430.9 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 uncertainty associated with these estimates has been further heightened, particularly in relation to retail stores in Russia. The Company recognized impairment losses in the amount of EUR 25.4 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 are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the separate combined non-financial report of the Company and the Group referred to in the combined management report, but which is not expected to be provided to us until after the date of this independent auditor's report,
- 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 "pumase-2022-12-31-de (1).zip" (SHA256 hash value: 4bb0 ac70e10cd5ce532c49039d53ecc32237069a2ca9bb223840d0e13236d3a1) 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, 2022, 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)) and the International Standard on Assurance Engagements 3000 (Revised). 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 QS 1).

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 management'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 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 the 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 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 11, 2022. We were engaged by the Supervisory Board on July 11, 2022. We have been the group auditor of PUMA SE 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).

In addition to the financial statement audit, we have provided to group entities the following services that are not disclosed in the consolidated financial statements or in the combined management report: As well as the consolidated financial statements, we also audited the annual financial statements and combined management report of PUMA SE and conducted various audits of annual financial statements at subsidiaries, a review of interim financial statements as well as of the combined non-financial statement. Furthermore, statutory EMIR assessments pursuant to Section 20 of the German Securities Trading Act [WpHG] were performed.

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 into the Company register – 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 8, 2023.

KPMG AG

Wirtschaftsprüfungsgesellschaft

Koeplin Wirtschaftsprüfer [German Public Auditor]	Dr. Schroff Wirtschaftsprüfer [German Public Auditor]