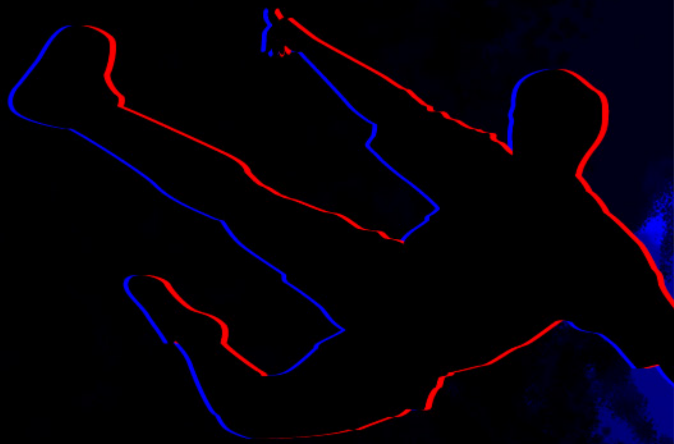
COMBINED MANAGEMENT REPORT OF PUMA SE FOR THE FINANCIAL YEAR 2021



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

OVERVIEW 2021

2021 was a year full of exceptional successes for PUMA's athletes and teams and also an excellent year for PUMA's business. However, the year was once again marked by the COVID-19 pandemic, which had different consequences in different countries around the world. This forced us to react quickly to lockdowns and restrictions, especially in our supply chain. We successfully continued our strategy of working together with all of our partners to manage the short-term challenges, such as store and factory closures, without hindering our mid-term momentum.

Factories for footwear, apparel and accessories in the south of Vietnam, one of our most important sourcing countries, were closed because of strict local lockdown measures. Because of this, production was suspended for about 10 weeks, and this affected approximately 15% of our global sourcing volumes. We tried to minimize production delays as much as possible and, where feasible, we shifted production to other sourcing locations. Given the quick rollout of the vaccination program and increasing vaccination rates in Southern Vietnam, the factories gradually reopened starting at the end of September.

Throughout the year, we prioritized the health and safety of our partners, customers and employees and we rolled out vaccination programs for our employees in countries where this was possible. This is how we achieved a vaccination rate above 90% at our headquarters in Herzogenaurach already by mid-July and followed up with booster vaccinations at the end of the year. In countries that were hit exceptionally hard by the pandemic, such as India, we also assisted employees and their families in getting access to medical care when necessary.

For our efforts to provide an attractive workplace, we were named Top Employer Europe for the second time in a row.

By partnering with some of the best athletes and teams in the world, we gain credibility as a sports brand and stay true to our roots in performance, which also boosts our brand heat. We expanded our PUMA family of ambassadors with several new signings in 2021. In Teamsport, we welcomed French national team players Raphaël Varane and Kingsley Coman as well as U.S. player Christian Pulisic. NHL All-Star Leon Draisaitl became the first NHL ice hockey player to join PUMA as a brand ambassador for training and fitness. In Basketball, we signed the most valuable player in the WNBA Breanna "Stewie" Stewart as well as French NBA guard Killian Hayes. PUMA athlete LaMelo Ball, who presented his first signature shoe this year, was voted Rookie of the Year in the NBA.

The summer of 2021 was exceptional for our teams and athletes, who delivered world class performances on the track and on the pitches.

Italy's national football team, which is sponsored by PUMA, won the UEFA Euro 2020, which was held in 2021, and with Giovanni Di Lorenzo, Giorgio Chiellini, Harry Maguire, Kyle Walker and Jordan Pickford we had five players wearing PUMA's latest football boots in the final. All four PUMA federations (Austria, Czech Republic, Italy and Switzerland) progressed to the knock-out stages and PUMA had three teams in the quarterfinals - more than any other sports brand.

At the Tokyo Olympics, PUMA athletes won a total of 22 Gold, 24 Silver, and 20 Bronze medals. Norwegian hurdler Karsten Warholm entered the history books when he won gold and set a new 400m hurdles world record in what was described as the "Best Race in Track&Field History". For his performance, Karsten was crowned World Athlete of the Year in December. Karsten wore PUMA's new EvoSPEED Future FASTER+ spike, which was created together with Formula 1 team MERCEDES AMG PETRONAS. Other PUMA athletes who won a gold medal in Tokyo included Canadian Sprinter Andre De Grasse (200m), pole vaulter Armand "Mondo" Duplantis, Italian high jumper Gianmarco Tamberi and Jamaican hurdler Hansle Parchment (110m). U.S. runner Molly Seidel wore shoes with PUMA's latest NITRO running technology, when she took the bronze in the women's marathon. At the Paralympic Games, PUMA's athletes also showed a strong performance, as Cuban sprinter Omara Durand won 3 Gold medals and set a new world record.

In football, our club teams also performed at the top of their game. Manchester City won the Premier League for the third time in four years and reached the Champions League final. In Germany, Borussia Dortmund won the DFB Cup and our Brazilian team Palmeiras won the Copa Libertadores twice in a row. We also signed additional top clubs including Fenerbahce Istanbul in Turkey or Shakhtar Donetsk in Ukraine.

In Golf, PUMA player Bryson DeChambeau won the Arnold Palmer Invitational in March 2021, while in Motorsport, PUMA teams Mercedes AMG Petronas, Red Bull Racing Honda and Scuderia Ferrari secured the top three spots in the Formula 1 Constructors' Championship. Red Bull driver Max Verstappen won the Drivers' Championship. To celebrate his first title, PUMA gave him a special pair of golden Speedcat Pro shoes.

As both the Olympic Games and Euro2020 were delayed by a year due to the pandemic, we sought to capture the spirit of our successful athletes in 2021 and celebrate optimism and self-believe with our ONLY SEE GREAT campaign. Inspired by cultural icon, entrepreneur and philanthropist Shawn "JAY-Z" Carter, PUMA ambassadors such as Boris Becker and Neymar Jr. told their story of how they achieved greatness in a series of media interviews and content on PUMA's digital channels.

In 2021, we made a big step towards establishing PUMA as a credible running brand by launching a completely new line-up of performance running shoes made with our new cushioning technology NITRO. The DEVIATE, DEVIATE ELITE, VELOCITY, LIBERATE, and ETERNITY received very positive reviews from runners and the media alike. The success of athletes such as Molly Seidel, Nils Voigt and Precious Machele added to the new products' appeal.

As part of our efforts to create a leading product offer for women, we launched our SHE MOVES US platform, which featured our top female brand ambassadors such as Dua Lipa, Cara Delevingne, Magdalena Eriksson and Jodie Williams to celebrate the women who have moved culture and sports forward and inspire other women around the world. The SHE MOVES US campaign also included a partnership with Women Win, an organization which organizes sports events for women and girls around the world, and founding PUMA's own team in the W Series, the international motor racing series for female drivers.

In 2021, PUMA North America and our international marketing organization moved into their new offices in the Boston suburb of Somerville, Massachusetts. The new building offers 150,000 square feet of flexible office space. In Germany, we opened our new logistics center in Geiselwind, which was ramped up gradually in the second half of the year. We also launched new PUMA.com online stores in the United Arab Emirates and Mexico.

PUMA's belief in the importance of local decision making was confirmed by the COVID-19 pandemic, which developed at a different pace across the world. That's why PUMA gives its local management the tools to react quickly to changes in the markets they know best.

PUMA's reentry into basketball continued and helped us become a credible sports brand in the North American market. PUMA athlete LaMelo Ball, who won the NBA's Rookie of the Year Award, created his first signature shoe with PUMA. We followed up on last year's success of the RS-DREAMER Basketball sneaker, designed by J.Cole, with the RS-DREAMER 2. The Basketball business launched several successful collaborations this year such as with the Black Fives Foundation, cartoon series Rugrats or video game NBA 2K.

Sustainability played an important part in our strategy in 2021. With our FOREVER BETTER communications platform, we educated consumers about our sustainability efforts. To signal a move towards a more circular business model, we announced the RE:SUEDE experiment. As part of this project, we developed an experimental version of our most iconic sneaker, the SUEDE, to test whether we can make it biodegradable. As sustainability matters throughout our product range, we introduced a new shoebox design, which will save 2,800 tonnes of cardboard each year. We also became a partner of not-for-profit environmental organization Canopy and committed to protect forests around the world when sourcing paper, cardboard and viscose.

As PUMA has grown strongly over the past years, we further strengthened our organization and expanded our Board of Management from three members to four by creating the new role of Chief Commercial Officer. Arne Freundt took on this new role on June 1 and he oversees Sales, including Retail & E-Commerce, and Logistics. Also, effective June 1, 2021, Hubert Hinterseher was named as the new Chief Financial Officer, taking over from Michael Lämmermann who retired after 28 years with the company. Hubert Hinterseher is responsible for Finance, Legal, IT and Business Solutions.

Despite the negative impact of the COVID-19 pandemic, 2021 was an excellent financial year for PUMA. Our operational flexibility in dealing with a wide range of challenges contributed significantly to PUMA's strong sales development and financial performance in 2021. The year 2021 began with an all-time high of COVID-19 cases worldwide and continuing restrictions on our operations in numerous markets. Furthermore, supply bottlenecks caused by container shortages and port congestion had a negative impact on product availability. In addition to the impact of the COVID-19 pandemic, difficult market conditions in some of our key markets also had a significant impact on our business. Despite these uncertainties, in the past financial year PUMA managed to exceed € 6 billion in sales for the first time in the company's history. Currency-adjusted sales increased by 31.7%. In the reporting currency, the euro, this corresponds to an increase in sales of 30.0% from € 5,234 million in the previous year to € 6,805 million in 2021. The strong growth in sales was achieved primarily as a result of sustained brand momentum, successful product launches with high sell-through rates, and a strong focus on flexibility in our operations. PUMA thus succeeded in surpassing its sales forecast of at least 25% currency-adjusted sales growth in financial year 2021, which had already been adjusted upward during the year.

In addition to the strong sales growth, the improvement in the gross profit margin also significantly contributed to the increase in profitability in the financial year 2021. PUMA's gross profit margin increased by 90 basis points from 47.0% in the previous year to 47.9% in 2021. This was driven by better sell-through and less promotional activity. By contrast, exchange rate effects, regional and distribution channel mix effects, and cost increases for inbound freight had a negative impact on the gross profit margin development.

Other operating income and expenses increased by a total of 20.3% in the 2021 financial year. The increase was mainly due to higher marketing expenses, an increase in the number of PUMA's own retail stores, and higher sales-related distribution and warehousing costs. In addition, PUMA continued to be faced with operational inefficiencies, particularly in the supply chain, due to COVID-19. The weaker increase in other operating income and expenses compared to sales growth reflects the operating leverage achieved. As a result of continued cost control, it was possible to achieve a significant reduction in the cost ratio from 43.3% in the previous year to 40.0% in 2021. This also contributed significantly to the improvement in profitability in the 2021 financial year.

During the financial year under review, the operating result (EBIT) rose by 166.3% from € 209.2 million to € 557.1 million, thus exceeding the outlook, which had already been adjusted upward during the year to a range between € 450 million and € 500 million. Overall, the significant improvement in profitability in the 2021 financial year is attributable to the strong growth in sales combined with an improved gross profit margin and the operating leverage achieved. As a result, the EBIT margin increased from 4.0% in the previous year to 8.2% in 2021.

The significant improvement in profitability is also reflected in the development of consolidated net earnings and earnings per share, both of which improved by more than 292% compared to the previous year. Consolidated net earnings increased from € 78.9 million in the previous year to € 309.6 million, while earnings per share rose accordingly from € 0.53 in the previous year to € 2.07. As a result, PUMA was able to achieve or even outperform its financial targets in the past financial year.

The positive net earnings enable the Management Board and the Supervisory Board to propose a dividend payout of € 0.72 per share for the financial year 2021 to the Annual General Meeting on May 11, 2022. This corresponds to a payout ratio of 34.8% of consolidated net earnings according to IFRS and is in accordance with PUMA's dividend policy, which foresees a payout ratio of 25% to 35% of consolidated net earnings. In the previous year, a dividend of € 0.16 per share was paid out (payout ratio for previous year: 30.3%).

In the course of the expansion of the DAX from 30 to 40 members, PUMA's shares have been included in the stock market index of the largest companies on the German stock market since September 2021. After starting 2021 at a price of € 92.28, PUMA's share price fell to a low of € 80.42 at the end of January 2021. PUMA's share price then recovered significantly by the end of the year, rising to € 107.50 — an increase of 16.5% on the previous year. The market capitalization of the PUMA Group increased accordingly to around € 16.1 billion at year-end 2021 (previous year: € 13.8 billion).

PUMA GROUP ESSENTIAL INFORMATION

COMMERCIAL ACTIVITIES AND ORGANIZATIONAL STRUCTURE

PUMA SE operates as a European stock corporation with Group headquarters in Herzogenaurach, Germany. In the internal reporting, our business activities are mapped according to three regions (EMEA, the Americas and Asia/Pacific) and three product divisions (footwear, apparel and accessories). A detailed description can be found in the segment reporting in chapter 25 of the Notes to the Consolidated Financial Statements.

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

As of December 31, 2021, 100 subsidiaries were controlled directly or indirectly by PUMA SE. Our subsidiaries carry out various tasks at the local level, such as distribution, marketing, product development, sourcing and administration. A full list of all subsidiaries can be found in chapter 2 of the Notes to the Consolidated Financial Statements (in the subsection "Group of consolidated companies").

TARGETS AND STRATEGY

PUMA has continued its brand mission to become the fastest sports brand in the world and continued to focus on its existing eight strategic priorities: create brand heat, develop product ranges that are right for the consumers, build a comprehensive offer for women, improve the quality of our distribution, increase the speed and efficiency of our organizational infrastructure, strengthen our positioning in the North American market by leveraging our re-entry into basketball and an even stronger focus on local relevance and sustainability.

For more than 70 years, PUMA has created **brand heat** by working with the most famous and successful athletes in history: Usain Bolt, Sir Lewis Hamilton, Pelé, Maradona, Tommie Smith, Boris Becker, Linford Christie, Serena Williams, Heike Drechsler and Martina Navratilova, just to name a few. Today, PUMA continues to strengthen its position as a sports brand through partnerships with some of the most famous ambassadors. In football, we continue to work with star players such as Antoine Griezmann, Neymar Jr. and Nikita Parris, top football manager Pep Guardiola, world-leading federations such as the Italian National team and international top clubs such as Manchester City, Borussia Dortmund, Valencia CF, Olympique Marseille, AC Milan, and Palmeiras São Paulo. In 2021, we also added French national team players Raphaël Varane and Kingsley Coman as well as U.S. player Christian Pulisic to our roster of world-class assets, underlining our continued focus on the football category. In track & field, we have also established a strong line-up of world-leading athletes including Norwegian hurdler and world record holder Karsten Warholm, Canadian sprinter André De Grasse, Swedish pole vault world record holder Mondo Duplantis, American long-distance runner Molly Seidel and the Jamaican Olympic Federations who all stood out at this year's Summer Olympics in Tokyo. In Motorsport, our Formula 1 teams Mercedes AMG Petronas, Red Bull Racing Honda and Scuderia Ferrari dominated yet another season. We continued to work closely with seven-time world champion and PUMA brand ambassador Sir Lewis Hamilton and established our own team in the W Series, the international single seater championship for female drivers only. In golf, we ensured continued brand heat through our long-term partnerships with iconic players such as Lexi Thompson, Rickie Fowler and Bryson DeChambeau. Teaming up with the best athletes, teams and federations is key in keeping the credibility and relevance of the PUMA brand at the highest levels.

To connect with young, trend-setting consumers, PUMA also drives brand heat by working with icons of culture and fashion such as Jay-Z, J. Cole, Cara Delevingne, Winnie Harlow and Dua Lipa. This has made PUMA one of the hottest sports brands for young consumers around the world.

PUMA aims to design "cool stuff that works" and in 2021, we significantly improved our **product offering** across all our business units. In performance footwear, we keep on moving forward with our innovative PUMA ULTRA and FUTURE Z football boots as well as our running & training shoes featuring our proprietary NITRO cushioning technology. Our new lineup of running shoes offer an effortless run and received very positive reviews from runners and the media alike and featured prominently at this year's Summer Olympics in Tokyo.

In Sportstyle, we continued to see strong sell-through of our key footwear product families such as RS, RIDER, and CALI. The demand from our consumers for these product families was maintained through the launch of successful new models in 2021 and we also added a lot of newness with the introduction of styles such as the MAYZE or the MAYU. The Classics pillar of our business, with models such as the iconic PUMA SUEDE, also continued to perform strongly throughout the year.

In apparel and accessories, we also saw a good development across all of our business units, with strong sell-through of our performance and Sportstyle products, including multiple successful collaborations with companies such as French-Japanese fashion label Maison Kitsuné or Chinese high-end designer brand PRONOUNCE.

Our COBRA Golf and PUMA Golf business had another successful year with strong sales of our innovative COBRA Golf clubs as well as PUMA Golf Footwear, Apparel and Accessories. We also extended our golf club offering by introducing our first generation of putters, including our first 3D-printed putter.

The **women's** category remains a key strategic priority for PUMA, manifested in our continued vision to be the most fashion forward sports brand. With increasing female sports participation worldwide and the combination of sportswear and fashion being more popular than ever, PUMA meets the female consumer with a comprehensive product offer across performance and Sportstyle, as well as inclusive product initiatives like extended sizing and maternity wear. The launch of our new women's communications platform SHE MOVES US in March 2021, represents the evolved positioning of "PUMA owns the space where the gym meets the runway". Our new SHE MOVES US communications platform, celebrates women who move together to achieve and connect – through sport, culture, and values. Led by global pop superstar Dua Lipa, PUMA has brought together its top female brand ambassadors to generate inspiring content over the course of 2021, such as talks, videos and interviews. By connecting its ambassadors with female consumers around the world, we created a global network, which sparks a conversation around issues important to girls and women. PUMA will continue to empower girls and young women through its partnership with Women Win, a global women's fund which uses sport to advance gender equality from the bottom up. PUMA will continue to use its communications channels to spotlight the joint efforts to impact girls and women's rights globally. An increased focus on women in sports will mark the year 2022. Together with our female ambassadors this has been identified as a key area for girls and young women to achieve health and prosper as individuals and team members.

Our re-entry into **basketball**, with an approach that resonates well on and off the court, was an important step towards increasing our credibility as a sports brand in North America. With the support of JAY-Z, our Creative Director for basketball, we developed a strong product offering across footwear, apparel and accessories over the past seasons that can be worn on and off the court. We also continued to partner with highly talented NBA players across several teams and signed additional players such as Killian Hayes. PUMA player LaMelo Ball was voted Rookie of the year in the NBA. In close collaboration with LaMelo Ball, we developed and launched the PUMA MB.01 – his first personal PUMA signature shoe. We also signed Breanna "Stewie" Stewart, the most valuable player in the WNBA, who will get her own signature shoe in 2022. In order to further strengthen our position in women's basketball, we created and launched our first women's basketball collection in close collaboration with stylist and designer June Ambrose, who joined PUMA as a creative director in 2020. Our basketball business continues to grow beyond the key North

American market, and we onboarded national teams like the Russian and Turkish basketball federations and the Israeli double holder Maccabi Tel Aviv. Our basketball inspired Sportstyle products, such as the PUMA CLYDE and RALPH SAMPSON, continued to resonate well with our consumers.

While basketball is especially important for North America, we also focused on ensuring **strong local relevance** in all our other markets worldwide. As the PUMA brand and products continue to resonate very well around the world, we see an increased need to focus on the trends, sports, ambassadors, collaboration partners and communication platforms that are most relevant in the different markets. Therefore, we further strengthened our regional creation centers, which are located in important markets such as the US, Europe, China, India, and Japan and create locally relevant products. In parallel, we increased our local-for-local sourcing setup in key markets such as China to react faster to changes in local consumer preferences. We also continued to strengthen our position in several locally relevant sports such as cricket, handball, netball, rugby, or Australian rules football. Over the years, we have established a strong portfolio of locally relevant brand ambassadors and influencers such as Pamela Reif in Germany, Virat Kohli in India or Danna Paola in Mexico, who complement our roster of top global ambassadors. The COVID-19 pandemic, which impacted our markets very differently in the course of 2021, has confirmed PUMA's belief to empower our local teams and give them the freedom and tools to react quickly to changes in the markets they know best.

PUMA improved the quality of its **distribution** and expanded its presence in leading sports performance and Sportstyle accounts around the world. We continued to strengthen the relationships with our retailers by being a flexible and service-oriented business partner. At a time of limited product supply due to COVID-19-related lockdowns in key sourcing countries, we prioritized our retailers and worked very closely together with them to improve the sell-through of our products and gain more shelf space in their stores. In parallel, we also continued to invest in our direct-to-consumer business, which includes our owned-and-operated retail stores as well as our e-commerce business. Our e-commerce business continued to grow by double-digits and we invested in our respective front-end and back-end capabilities. We continued to improve the user experience and product offering of our existing e-commerce channels and launched new e-commerce sites in important markets such as Mexico, Argentina, and the United Arab Emirates. We also developed our first-ever PUMA shopping app, which we will launch in pilot markets in early 2022 and we increased our investments in performance marketing to drive traffic and conversion across all our e-commerce channels. Furthermore, PUMA continued to upgrade its owned-and-operated retail store network and opened selective new Full-Price Stores and Factory Outlet Centers around the world, as consumer traffic and demand rebounded and stores re-opened after COVID-19-related lockdowns.

Operationally, we continued to improve the **infrastructure**, processes and systems that are required to support our overall growth ambition for the upcoming years. In 2021, a strong focus was put on expanding our logistics network in key markets. We successfully opened our highly automated multi-channel distribution center in Geiselwind, Germany. New state-of-the-art distribution centers like the one in Geiselwind provide us with the required back-end infrastructure to support our future growth in the Wholesale and Direct-to-Consumer channels. Our teams in the Unites States moved into a new headquarter in Somerville, MA and we inaugurated new modern offices in several countries such as France and Sweden.

Moreover, we continued to focus on further developing our ERP systems and enhancing our product development tools. This, combined with improvements of the overall IT infrastructure, enabled faster and better communication and information exchange with internal and external stakeholders. Due to continued travel restrictions related to the COVID-19 pandemic, we also invested in additional digital capabilities along the go-to-market process, from virtual product development to virtual sell-in meetings.

The long-term collaboration with our valued suppliers remains the key component of our sourcing strategy. It ensures a stable sourcing base, consistent quality of our products and prepares us for future growth and changes in the trading environment. The strong collaboration with our suppliers, who are mainly based in Asia, has helped us during the COVID-19 pandemic and has contributed to a very resilient supply chain situation throughout the year, despite several lockdowns in key sourcing countries such as Vietnam and Bangladesh.

Sustainability remains one of our strategic priorities and we continue to fully integrate sustainable practices into every aspect of our business with a special focus on increasing the number of sustainable products in our ranges and stronger consumer-facing communication. In 2021, we continued to build on our FOREVER BETTER communication platform, which serves as the overarching umbrella for all consumer-facing communication on sustainability. All of our sustainability efforts are connected and are measured against our 10FOR25 targets, which are aligned with the United Nations' Sustainable Development Goals and outline our ambitious objectives until the year 2025. One of these ambitious targets is to increase the share of products with more sustainable materials from 5 out of 10 products in 2020 to 9 out of 10 products in 2025. In order to reach these targets, we successfully launched several more sustainable collections such as PUMA x FIRST MILE with products made from recycled polyester, the EXHALE yoga collection co-created with Cara Delevingne, which uses recycled polyester, natural dyes, and offsets unavoidable carbon emissions and the RE.GEN collection, which is made from regenerated materials from our own industry waste. Other highlights include our new BETTER FOAM in footwear, a material partly made from sugarcane. In 2021, PUMA committed to protecting forests around the world when sourcing paper, cardboard, and viscose, as part of its new partnership with not-for-profit environmental organization Canopy. We continued our leading role at the Fashion Charter for Climate Action, which at the climate conference COP26 in Glasgow announced more ambitious climate action, to limit the global temperature rise to 1.5 degrees Celsius above pre-industrial levels. PUMA worked with other key stakeholders on all levels to promote more sustainable business practices in our industry. In relation to human rights, we took the necessary actions to safeguard our suppliers and workers during the COVID-19 pandemic by honoring all of our purchasing commitments. We also ensured that all workplace safety and legal standards were met through our long-standing social compliance program.

PRODUCT DEVELOPMENT AND DESIGN

At PUMA, we have a history of more than 70 years of moving sports and culture forward. Our archive offers a vast database from which our designers can draw inspiration when they create new styles. In 2021, one example of how we blend the new and the old came in the shape of the MAYZE, our newest franchise, which is selling very well.

Presented by pop superstar Dua Lipa, the MAYZE is ready to become the next PUMA classic and was launched in several colors and executions throughout the year, such as the MAYZE Classic and the MAYZE Chelsea, a twist on the classic Chelsea Boot.

We continued with our successful women's franchise CALI and added a men's model, the CA Pro. The RS franchise resonated well with consumers, with new versions of the RS-X and the RS-Z.

Our classics such as the PUMA SUEDE performed well in 2021, especially in North America, and we successfully re-introduced the SUEDE in kids' sizes.

The SUEDE also played a major role in our collaboration with Brooklyn-based artist collective KIDSUPER STUDIOS. KIDSUPER won the prestigious Lagerfeld Prize, which is awarded to up-and-coming talents in the fashion industry.

Other successful collaborations in 2021 included a collection with London-based female fashion brand Liberty, which combined the brand's iconic floral prints with PUMA's most recognizable footwear styles.

We also teamed up with Australian skater brand Butter Goods for a 1990s-inspired collection, which featured high-quality materials and classic silhouettes, combined with sports-inspired graphics.

In 2021, we overhauled our line-up of running products and introduced our proprietary NITRO foam, following years of research and testing. Our new running range also included products specifically engineered for female runners, based on a brand-new last which was optimized for the female foot. The success of our athletes, such as US marathon runner Molly Seidel, underscored the performance of these products.

Together with Formula 1 team MERCEDES AMG PETRONAS, PUMA designed its fastest, lightest and most propulsive track & field spike ever as part of the FASTER+ program. The EvoSPEED Future FASTER+ spike was worn by Norwegian hurdler Karsten Warholm when he won the Gold medal and set a new 400m hurdles world record. Canadian sprinter Andre De Grasse wore the EVOSPEED TOKYO FUTURE NITRO FASTER+ when he took the Gold medal in the 200m race. Technological advances from the FASTER+ program were also passed down and integrated into other track and field spikes.

In Teamsport, the innovative FUTURE franchise continued in 2021 with the new FUTURE Z, which was launched in January. In June, we designed a special version of the FUTURE for our ambassador Neymar Jr. ahead of the Copa America. In July, PUMA showed its commitment to women's football by launching its ULTRA boots for the first time in both a Unisex and Women-specific fit, as part of its FASTER FOOTBALL campaign. Together with Neymar Jr., PUMA launched several Teamsport products throughout the year, including his first ever lifestyle collection. PUMA also introduced ULTRAWEAVE, a completely new performance apparel technology, which allowed us to create our lightest-ever football jersey.

In Golf, lifestyle-inspired golf apparel and footwear such as the GRYLBL, Arnold Palmer and Excellent Golfwear collections as well as the RS-G and Fasten8 shoes performed well. Additionally, collaborations with Kygo's Palm Tree Crew created brand heat for PUMA Golf.

For COBRA Golf, the RADSPEED family was a commercial success, which also resonated well with the media. COBRA also launched two new putter families, the KING Vintage Series and the KING 3D Printed Series.

Our Motorsport offering for the first time included footwear co-created with our long-term partner Scuderia Ferrari. This marks the start of a new strategy for PUMA and Ferrari to enter the high-fashion segment. Our successful SPEEDCAT low-profile franchise was expanded this year with the introduction of the SPEEDCAT LS. Together with Red Bull Racing Honda driver Max Verstappen, we created a special edition of the SPEEDCAT PRO, which celebrated the return of Formula 1 to the Netherlands.

We also introduced several collections with a sustainability focus. Our RE.GEN collection was made with PUMA's own industry waste and other recycled materials. Together with model, actress and activist Cara Delevingne, PUMA also created EXHALE, a yoga collection, which was made of at least 70% recycled polyester and for which PUMA offset all unavoidable CO_2 emissions.

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

As of December 31, 2021, a total of 1,136 people were employed in research and development/ product management (previous year: 1,049). In 2021, research and development/ product management expenses totaled € 114.5 million (previous year: € 102.6 million), of which € 61.7 million (previous year: € 56.6 million) related to research and development.

SOURCING

THE SOURCING ORGANIZATION

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

The centralization of both the sourcing and procurement functions, along with the rollout of a cloud-based purchase order collaboration and payment platform, linking the sales-subsidiaries, PIT and the vendors, has enabled the digitalization of the supply chain creating transparency, operational efficiency and reducing complexity. For example, container fill rates are optimized, foreign currency risks are managed by PIT directly via a centralized currency hedging policy, and all payments to vendors are automated and paper free.

In order to meet our customers' requirements concerning service, quality, social and environmental compliance we focus on six core strategic pillars of collaboration, product, quality, growth management, margins and landed cost, and sustainability. The centralization of sourcing and procurement allows for continuous improvements in all of these areas. Furthermore, the integration of the PUMA sustainability function (social, environmental and chemical) into PGS, ensures these focus areas are part of our day-to-day business.

Another key aspect in our sourcing setup since 2016 has been the PUMA Vendor Financing Program. The program allows vendors to be paid earlier and is based on PUMA's credit rating. The International Finance Corporation (IFC), banking group BNP Paribas and HSBC as well as Standard Chartered offer attractive financing terms to our suppliers, which are able to maintain their own lines of credit.

The year 2021 saw the resumption of demand in our key markets after extended lockdowns in Europe, America and other parts of the world in 2020. As a result, our focus shifted to building capacity across our supply base in all product divisions. Starting from the second quarter of this year, we started to experience significant challenges on the supply side due to regional COVID-19 related lockdowns. Bangladesh and certain parts of China were exposed to temporary production disruptions. More notably, South Vietnam suffered from a twelve-week extended lockdown resulting in office restrictions, manufacturing closures and curfews. During this time our suppliers had to keep factories closed or could only operate at reduced capacity. We immediately focused on supporting our suppliers during this time, while health and safety of the employees was our top priority. To mitigate capacity constrains in South Vietnam, we rebalanced production allocation to other areas such as China, Cambodia and North Vietnam; this also applied for products still in development and sampling stage. At the same time, we prioritized our orders in alignment with the sales subsidiaries. Once the lockdown situation started to ease, we shifted our efforts to tracking and restoring capacities with our partners.

THE SOURCING MARKETS

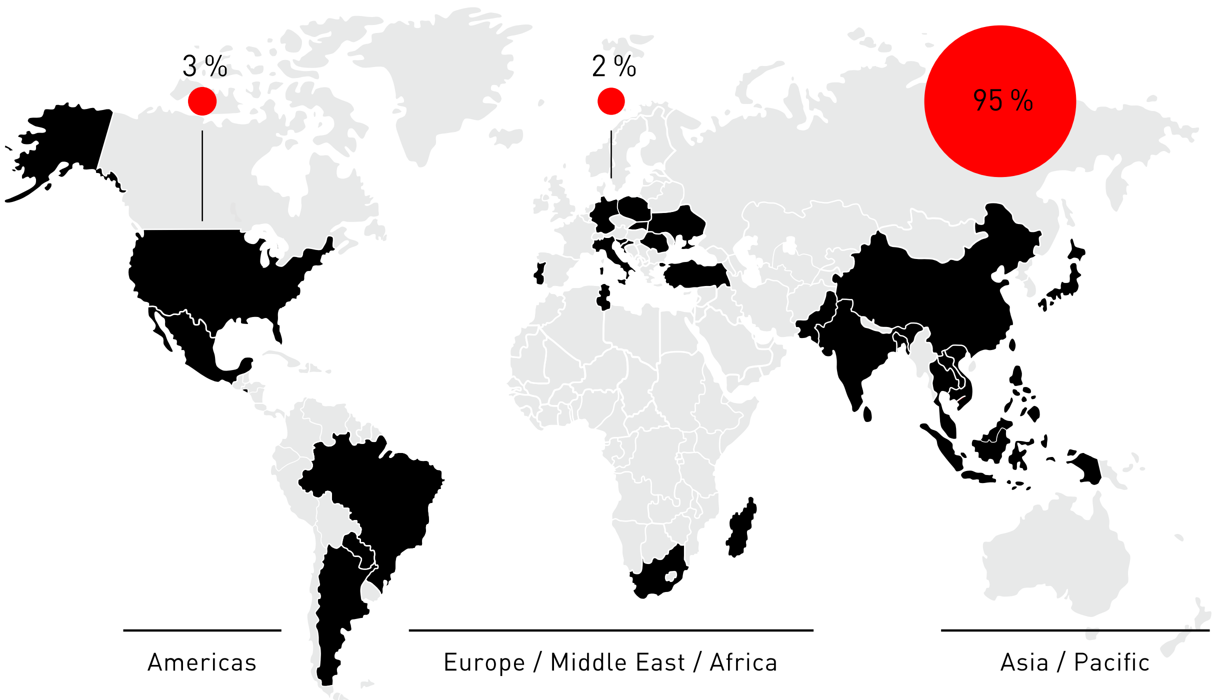
During the financial year 2021, PIT purchased from 134 independent suppliers (previous year: 139) in 27 countries worldwide. The strategic cooperation with long-term partners did not only remain to be one of the key competitive advantages, but it was also crucial in navigating through the supply chain challenges of 2021.

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

As a result, the six most important sourcing countries (93% of the total volume) are all located on the Asian continent. Vietnam remained to be the strongest production country with a total of 32%. Due to lock downs during the third quarter Vietnam saw a minor decrease of global production share by three percentage points compared to last year. Mainly China compensated for the situation in Vietnam and increased its share by three percentage points to 29%. Bangladesh, with a focus on apparel, was in third place at 14% and Cambodia was in fourth place at 13%. Indonesia, which focuses on footwear production, produced 4% of the total volume and was in fifth place. India was in sixth place at 2%.

Rising wage costs, fluctuating material prices and macroeconomic developments, have continued to influence sourcing markets in 2021. Such impacts need to be taken into account in allocating the production to ensure a secure, sustainable and competitive sourcing of products. In this regard sourcing has extended its local supply chain initiatives for markets such as China, India, Latin America, Turkey and others.

↗ **G.01 SOURCING REGIONS OF PUMA** (in %)

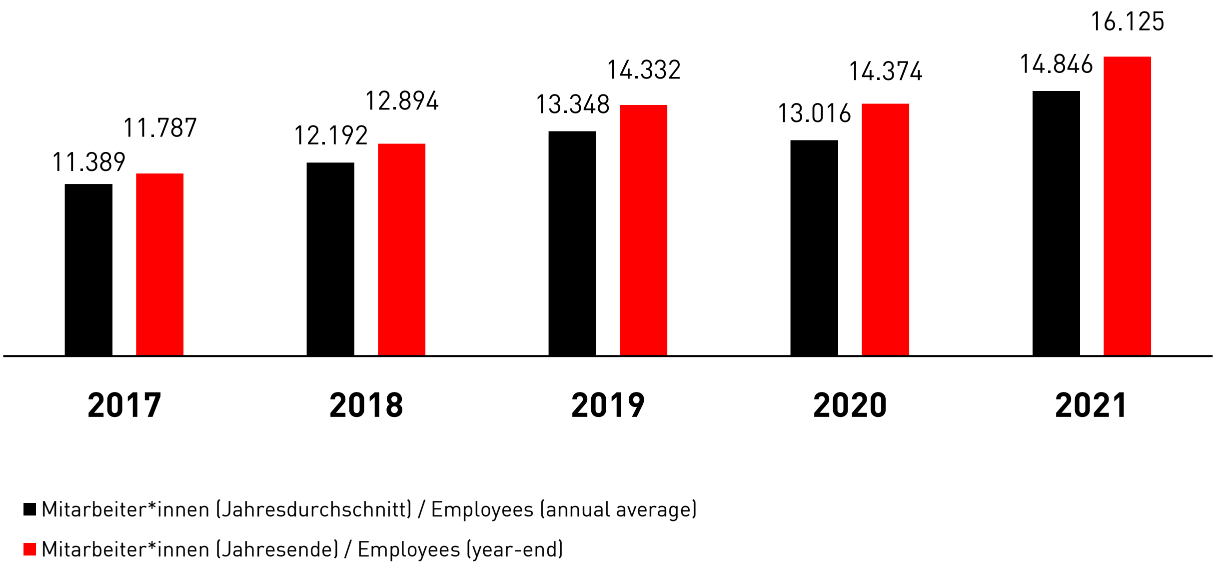


EMPLOYEES

NUMBER OF EMPLOYEES

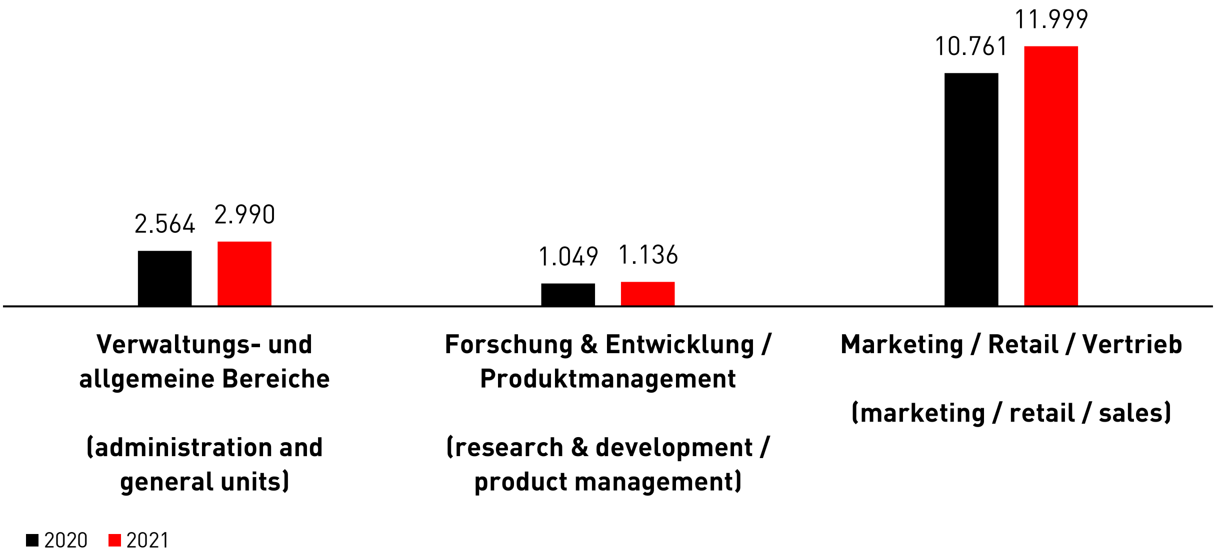
The global number of employees on a **yearly average** was 14,846 in 2021, compared to 13,016 in the previous year. Personnel expenses increased by a total of 22.0% from € 583.7 million to € 712.4 million in 2021. On average, personnel expenses per employee amounted to € 48.0 thousand, compared to € 44.8 thousand in the previous year.

↗ **G.02 DEVELOPMENT EMPLOYEES** (annual average / year-end)



As of **December 31, 2021**, the number of employees was 16,125, compared to 14,374 in the previous year. This corresponds to an overall increase in the number of employees of 12.2% compared to the previous year. The development in the number of employees per area is as follows:

↗ **G.03 EMPLOYEES** (Year-end)



TALENT RECRUITMENT AND DEVELOPMENT

The global COVID-19 pandemic continued to influence our business operations in 2021, in particular in the various phases that in some cases saw governments worldwide take extensive measures to restrict contact. As mobile working and virtual collaboration were already common practice at PUMA, we were able to respond with maximum flexibility in terms of where and when our employees did their work. To adapt to these new circumstances, we have increased the flexibility of our regular working time models and have developed hybrid concepts for all training courses that were previously classroom-based. We have continued to place particular emphasis on creating a safe working environment and avoiding financial cuts for our employees. Their high level of commitment has meant that we have been able to continue our business operations as smoothly as possible, and we feel well prepared for our further growth path.

To ensure our competitiveness in an increasingly complex environment and to promote growth, it is essential that we have highly qualified and motivated personnel whom we can retain for the long term at our Group companies.

To attract external candidates, in addition to our careers website we use digital platforms and social media for our target-group-specific, individual, and proactive recruiting measures. Having a range of initiatives at universities gives us the opportunity to approach potential employees and identify suitable candidates. Extensive networks of qualified applicants and candidate pools help us to quickly fill vacancies. In the competitive labor market, being an attractive employer and being perceived as such by current and potential employees are of critical importance. PUMA's attractiveness is evidenced by its top rankings as an employer and numerous awards. We are very proud of the fact that in 2021, a total of sixteen PUMA subsidiaries around the world received a coveted Top Employer Award, which honors our outstanding corporate culture and working environment.

In 2021, the focus was again on simplifying, accelerating, and harmonizing business processes worldwide, as well as on further digitalization. Since 2017, we have been using the "Workday" software solution for a variety of human resources processes. This software provides employees and managers with the processes and tools required for daily human resources management. In addition, easy-to-use dashboards provide managers with the information and data-driven insights they need for planning and management. The analysis of our centrally available global data provides a solid basis for strategic decisions and measurable results. Digital signatures and chatbots contributed to the further digitalization and optimization of key processes worldwide.

Our aim is to nurture our employees both on an individual basis and in an international environment while successfully retaining them at PUMA for the long term. Based on the Workday software, a systematic succession plan is created as part of talent management in addition to performance assessment and target-setting. We identify the talent available within the Group as part of annual performance reviews and global talent conferences and foster talent development based on individual development plans. This type of talent management means that we can offer our employees attractive career and development opportunities. In this reporting year, we continued to fill the majority of our key positions through internal promotions or horizontal moves around the world. This strengthens our talent and development strategy.

In order to be successful in the long term, it is essential that our workforce has the necessary skills to ensure continuous growth and market competence, especially in times of extensive change. We guarantee this by means of the ongoing and systematic professional and personal development of our employees. Workday helps us to avoid skills gaps and gain transparency about the skills available in the workforce.

The range of training that we provide includes a number of online and offline training courses and workshops, which are either standardized or tailored to individual needs. In 2021, we expanded this offering. With "LinkedIn Learning" and "Good Habitz," there are now almost 18,000 different training courses available for our employees. A wide range of learning categories are available for self-directed personal and professional development. Furthermore, learning content covering topics such as mental well-being, resilience, mindfulness, and emotional stability in particular helped us as an employer to provide the best possible support to our employees around the world in the exceptional situation caused by the COVID-19 pandemic. We want to expand the use of agile working methods even further and therefore offer Digital Agile Coach programs for different target groups.

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

We offer our managers numerous training and development opportunities. All managers worldwide complete our internal global leadership training program, consisting of the ILP ("International Leadership Program") and ILP². The program helps participants to develop over a long period of time and includes intensive training and coaching units—including interactive learning, role plays, and best practice learning—as well as joint projects. The digitalization and the changing work environment have posed new challenges for managers in particular. The key topics are therefore coaching, mindful leadership, and agile working methods. In 2021, we also introduced a new training program: the PUMA Leadership Expedition, which aims to empower our managers to lead effectively in the VUCA world (VUCA is an acronym for volatile, uncertain, complex, and ambivalent). The program is completely virtual, easily accessible, and designed as a self-directed and tailor-made learning format. It includes self-selected virtual training sessions with a trainer, regular communication with other international participants in smaller working groups, and coached sessions, as well as individual learning sprints and check-ins with the trainers.

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

Our personnel development programs "Speed Up" and "Speed Up²" target employees at different hierarchal levels. Various groups consisting of top talent receive intensive preparation for the next step in their careers by taking on interdisciplinary projects and tasks, targeted training courses, mentoring and coaching, as well as job rotations. Increased visibility to upper management, the creation of cross-functional collaborations and establishing a strong network are also important components of this program.

Feedback from our employees is very important to us. This is why, in addition to regular pulse checks, we conduct global surveys every two years. In 2021, 12,875 employees participated in our employee survey and took the opportunity to share their opinions about their workplace and professional life. This equates to a participation rate of 86% (2019: 85%). Despite the difficult circumstances caused by the COVID-19 pandemic, we have achieved higher approval levels in all categories. We are particularly proud that our 92% (2019: 91%) employee engagement rate has increased once again, which is a testimony to the high level of our employees' commitment and loyalty to the PUMA brand. These results encourage us to continue and further strengthen the measures that have been implemented. The results of the survey were communicated at global, local, and departmental level and any follow-up measures were defined.

WORKS COUNCIL

The trust-based and constructive collaboration with the Works Councils is an important part of our corporate culture. In 2021, the European Works Council of PUMA SE represented employees from 13 European countries and had 16 members. The German Works Council of PUMA SE was made up of 15 members and represents the employees of the PUMA Group in Germany. A designated member of the Works Councils in Germany represents the interests of employees with disabilities.

COMPENSATION

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

MANAGEMENT SYSTEM

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

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

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

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

Non-financial performance indicators are of only minor importance at PUMA.

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

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

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

PUMA's operating result (EBIT) is the sum of net sales and royalty and commission income, minus cost of sales and other operating income and expenses (OPEX). EBIT is defined as operating result, less depreciation and amortization, provisions and impairment loss, before interest (= financial result) and before taxes. The financial result includes interest income and interest expenses as well as currency conversion differences. The EBIT margin is calculated as EBIT divided by net sales.

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

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

INFORMATION REGARDING THE NON-FINANCIAL REPORT

In accordance with Sections 289b and 315b of the German Commercial Code (Handelsgesetzbuch - HGB), we are required to make a non-financial declaration for PUMA SE and the PUMA Group within the Combined Management Report or present a non-financial report external to the Combined Management Report, in which we report on environmental, social and other non-financial aspects. PUMA has been publishing Sustainability Reports since 2003 under the provisions of the Global Reporting Initiative (GRI) and since 2010 has published financial data and key sustainability indicators in one report. In this context, we report the information required under Sections 289b and 315b of the HGB in the Sustainability chapter of our Annual Report. The Non-financial Report for the financial year 2021 will be available by April 30, 2022, at the latest on the following page of our website: https://about.PUMA.com/en/investor-relations/financial-reports

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

ECONOMIC REPORT

GENERAL ECONOMIC CONDITIONS

GLOBAL ECONOMY

According to the winter forecast published by the Kiel Institute for the World Economy (IfW Kiel) on December 15, 2021, the global economic recovery has lost momentum since the middle of the year. In many parts of the world, renewed increases in the number of COVID-19 cases inhibited economic activity, supply bottlenecks hampered the upturn in industrial production, and growth in the Chinese economy appears to have slowed. Following the drastic economic slump caused by the COVID-19 pandemic in the previous year, experts at IfW Kiel expect global gross domestic product (GDP) to increase by 5.7% overall in 2021. Global industrial production recovered swiftly from the severe slump at the start of the pandemic and had already returned to pre-crisis levels by the fall of 2020. However, supply bottlenecks and capacity issues in logistics, especially in maritime transport, have played a more prominent role in slowing down global trade and industrial production since mid-2021. In terms of fiscal policy, economic development in developed economies—and to a lesser extent in many emerging economies—continued to be supported for the time being, and extensive additional spending and tax deferral approaches were adopted to mitigate the economic impact of the pandemic.

SPORTING GOODS INDUSTRY

2021 was a challenging year for the sporting goods industry, with a variety of operational issues needing to be addressed. For example, the problematic situation in the freight sector throughout the year, with high freight rates, insufficient capacity and congested ports, as well as production downtime due to a COVID-19 lockdown in South Vietnam in the third quarter, contributed to limited product availability. Despite this, in 2021, the sporting goods industry recovered from the shock caused by the COVID-19 pandemic in the previous year and was able to build on the growth of previous financial years once again.

The resumption of amateur and professional sporting events and the staging of major sporting events in 2021, such as the European Football Championships and the Summer Olympics in Tokyo, had a positive impact on the sporting goods industry. Moreover, as a result of the COVID-19 pandemic, more sporting activity and an increasingly healthy and sustainable lifestyle, continued to gain in importance for an ever-increasing proportion of the world's population. Among other things, this resulted in the increased popularity of athletic footwear and leisure/athletic apparel as an integral part of everyday fashion ("athleisure").

SALES

ILLUSTRATION OF SALES DEVELOPMENT IN 2021 COMPARED TO THE OUTLOOK

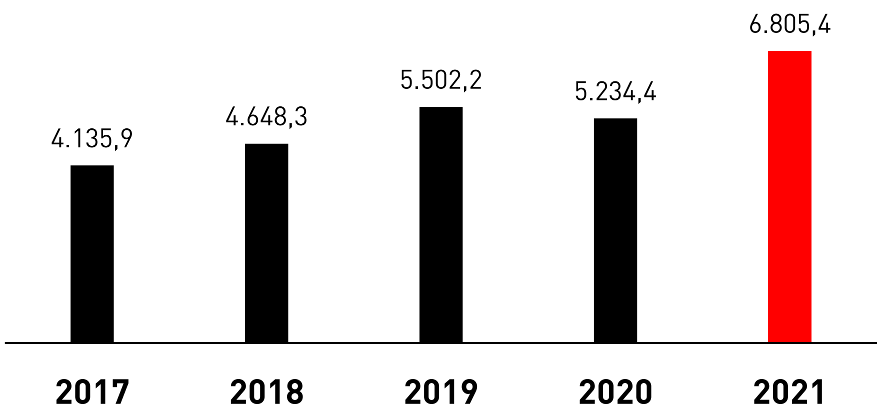
In the 2020 Combined Management Report, PUMA had forecasted at least a moderate currency-adjusted increase in sales for the financial year 2021, due to the negative impact of the COVID-19 pandemic. This outlook was increased several times during the year and, at the end of the third quarter, PUMA anticipated a currency-adjusted increase in sales of at least 25% for the financial year 2021. Thanks to continued brand momentum, successful product launches and a strong focus on flexibility in business operations, PUMA was able to outperform the adjusted outlook for the full-year 2021, significantly exceeding the original sales target.

More details on sales development in the financial year 2021 are provided below.

SALES

PUMA's net sales in the reporting currency, the euro, increased by 30.0% to € 6,805.4 million in the financial year 2021 (previous year: € 5,234.4 million). Adjusted for currency exchange effects, sales increased by 31.7%. PUMA thus succeeded in continuing the sales growth of previous financial years after a decline in sales in 2020 caused by the COVID-19 pandemic. All regions and all product divisions contributed to this development in 2021 with double-digit growth rates.

↗ **G.04 SALES** (in € million)

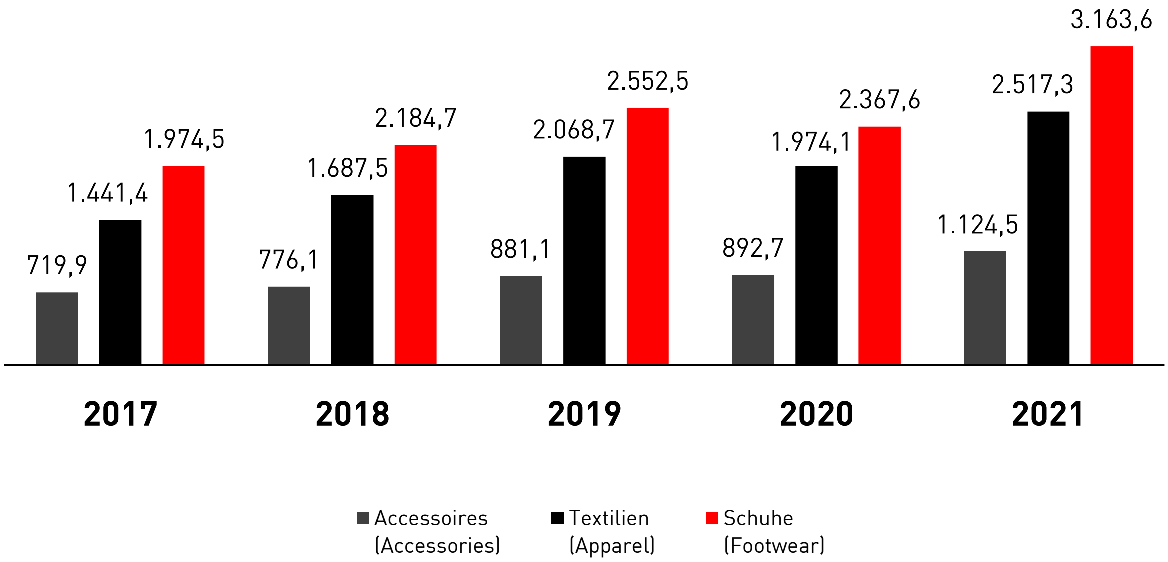


In the **Footwear** division, sales in the reporting currency, the euro, rose by 33.6% to € 3,163.6 million. Currency-adjusted sales increased by 36.0%. The strongest growth was achieved in the Sportstyle and Running & Training categories. The share of the Footwear division in total net sales rose from 45.2% in the previous year to 46.5% in 2021.

Sales in the **Apparel** division in the reporting currency, the euro, increased by 27.5% to € 2,517.3 million. Currency-adjusted sales grew by 28.6%. The Sportstyle category was the main driver of sales growth. The Running & Training and Teamsport categories also contributed to this growth. The share of the Apparel division decreased slightly to 37.0% of Group sales (previous year: 37.7%).

The **Accessories** division recorded a 26.0% growth in sales in the reporting currency, the euro, to € 1,124.5 million, equivalent to currency-adjusted sales growth of 27.2%. The growth in sales was in particular driven by higher sales of socks and bodywear and of Cobra golf clubs. The division's share of Group sales fell from 17.1% in the previous year to 16.5% in 2021.

↗ **G.05 SALES BY PRODUCT DIVISIONS** (€ million)

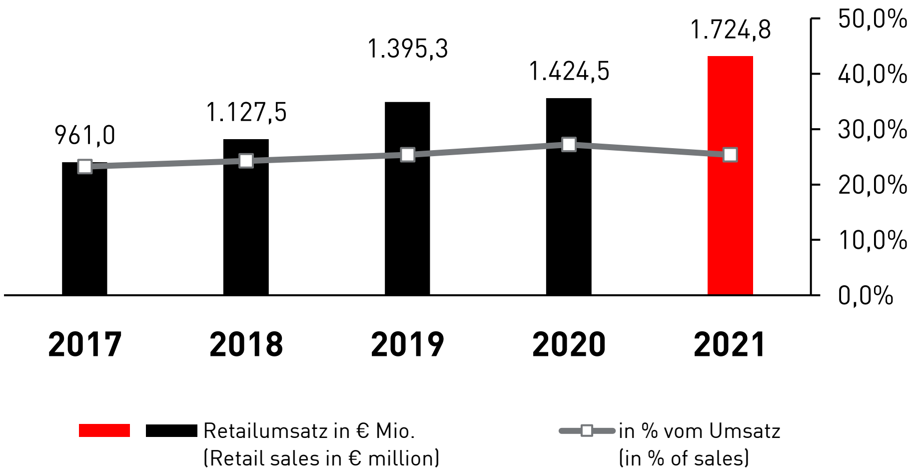


RETAIL BUSINESSES

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

PUMA's retail sales increased by 22.8% currency-adjusted to € 1,724.8 million in the financial year 2021. This corresponds to a share of 25.3% in total sales (previous year: 27.2%). Sales in PUMA's own retail stores recorded a currency-adjusted increase of 30.3% in 2021 following the temporary closure of stores in numerous countries around the world due to restrictions to mitigate the COVID-19 pandemic in the previous year. In contrast, there were only isolated retail store closures in 2021. In the e-commerce business, currency-adjusted sales increased by 11.3% in 2021, following extremely strong sales growth of over 60% in the previous year. This development in 2021 reflects the fact that consumers still value the shopping experience in retail stores, following a shift in consumer shopping behavior towards increased online shopping in the previous year. Notwithstanding, our e-commerce activities were particularly successful on special days in the online business, such as Singles' Day in China on November 11, the world's largest online shopping day, as well as on Black Friday on November 26 and Cyber Monday on November 29.

↗ G.06 RETAIL SALES



LICENSING BUSINESS

PUMA grants licenses to independent partners for various product divisions, such as watches, glasses, safety shoes and gaming accessories such as the Playseat. In addition to design, development and manufacture, these companies are also responsible for product distribution. Income from license agreements also includes some distribution licenses for different markets. After PUMA's royalty and commission income fell in the previous year due to the COVID-19 pandemic, the 2021 financial year saw a 48.2% increase in royalty and commission income to € 23.9 million (previous year: € 16.1 million).

REGIONAL DEVELOPMENT

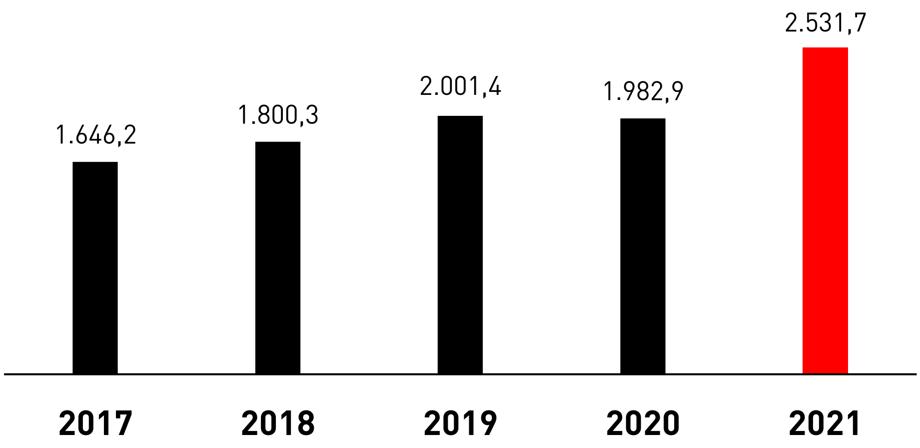
In the following explanation of the regional distribution of sales, the sales are allocated to the customers' actual region ("customer site"). It is divided into three geographical regions (EMEA, Americas and Asia/Pacific). A more detailed regional presentation of the sales according to the registered office of the respective Group company can be found in chapter 25 of the Notes to the Consolidated Financial Statements.

PUMA's net sales in the reporting currency, the euro, increased by 30.0% in the financial year 2021. This corresponds to a currency-adjusted sales increase of 31.7% compared to the previous year. All regions contributed to this development with double-digit growth rates.

In the **EMEA** region, sales in the reporting currency, the euro, rose by 27.7% to € 2,531.7 million. Adjusted for currency effects, this corresponds to an increase in sales of 28.2%. Almost all countries in the region contributed to this development with double-digit growth rates. Particularly strong growth came from France, Italy, Russia and South Africa. In terms of Group sales, the share of the EMEA region nevertheless decreased from 37.9% in the previous year to 37.2% in 2021.

With regard to product divisions, sales revenue from Footwear recorded a currency-adjusted increase of 31.0%. Currency-adjusted sales of apparel increased by 29.2%. Currency-adjusted sales of accessories rose by 20.6%.

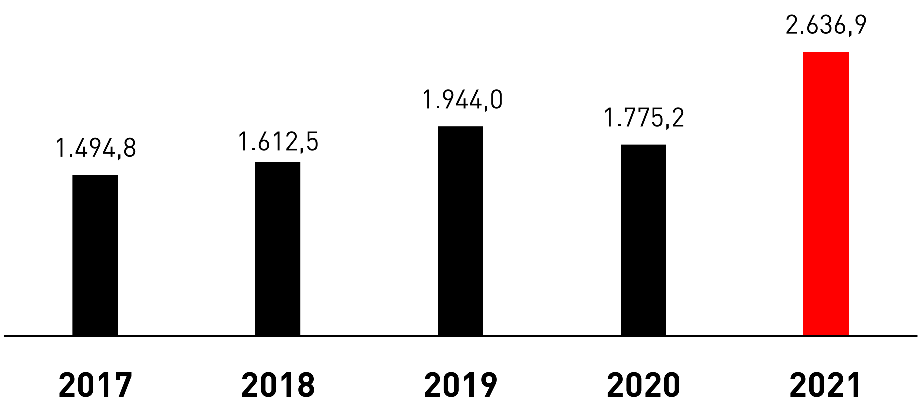
↗ G.07 EMEA SALES (€ million)



In the **Americas** region, sales in the reporting currency, the euro, increased by 48.5% to € 2,636.9 million, thus exceeding the € 2 billion mark for the first time in this region. Currency-adjusted sales increased by 53.9%. Latin America in particular suffered negative exchange rate effects, as the weakness of the Argentine peso against the euro had a significant negative impact on sales in Latin America denominated in the reporting currency, the euro. Due to the strong growth in sales, the Americas region's share of Group sales rose to 38.7% in 2021 (previous year: 33.9%).

In terms of product divisions, both footwear (+63.8% currency-adjusted) and apparel (+52.1% currency-adjusted) recorded particularly strong year-on-year sales growth. Sales in the Accessories division saw a currency-adjusted increase of 35.1%, in particular due to an increase in sales of Cobra golf clubs, socks and bodywear.

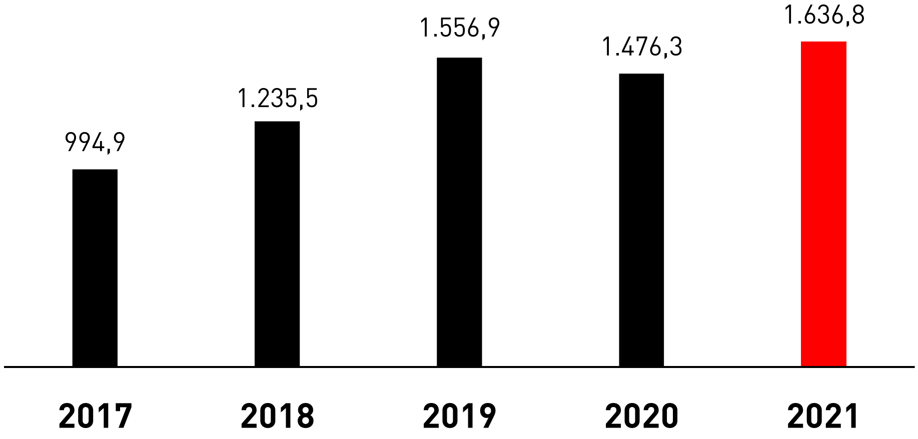
↗ G.08 AMERICAS SALES (€ million)



In the **Asia/Pacific** region, sales rose in the reporting currency, the euro, by 10.9% to € 1,636.8 million. This corresponds to a currency-adjusted sales increase of 10.6%. While there was a single-digit percentage decline in sales in Greater China in 2021 due to the difficult market environment, India, Japan and Australia, among others, recorded double-digit percentage sales growth. The Asia/Pacific region's share of Group sales decreased from 28.2% in the previous year to 24.1% in 2021.

Looking at the product divisions, currency-adjusted sales of footwear increased by 9.4%. Sales of apparel increased by 9.6% and currency-adjusted sales in the accessories division grew by 24.7%.

↗ **G.09 ASIA/PACIFIC SALES** (€ million)



RESULTS OF OPERATIONS

↗ T.01 INCOME STATEMENT

	2021		2020		
	€ million	%	€ million	%	+/- %
Net Sales	**6,805.4**	100.0%	**5,234.4**	100.0%	30.0%
Cost of sales	-3,547.6	-52.1%	-2,776.4	-53.0%	27.8%
Gross profit	**3,257.8**	47.9%	**2,458.0**	47.0%	32.5%
Royalty and commission income	23.9	0.4%	16.1	0.3%	48.2%
Other operating income and expenses	-2,724.6	-40.0%	-2,264.9	-43.3%	20.3%
Operating result (EBIT)	**557.1**	8.2%	**209.2**	4.0%	166.3%
Financial result	-51.8	-0.8%	-46.8	-0.9%	10.5%
Earnings before taxes (EBT)	**505.3**	7.4%	**162.3**	3.1%	211.2%
Income taxes	-128.5	-1.9%	-39.2	-0.7%	227.8%
Tax rate	25.4%		24.2%		
Net earnings attributable to non-controlling interests	-67.2	-1.0%	-44.2	-0.8%	51.9%
Net earnings	**309.6**	4.5%	**78.9**	1.5%	292.4%
Weighted average shares outstanding (million)	149.59		149.56		0.0%
Weighted average shares outstanding, diluted (million)	149.59		149.56		0.0%
Earnings per share in €	2.07		0.53		292.3%
Earnings per share, diluted in €	2.07		0.53		292.3%

ILLUSTRATION OF EARNINGS DEVELOPMENT IN 2021 COMPARED TO THE OUTLOOK

In the outlook of the 2020 Combined Management Report, PUMA forecasted a significant improvement in operating result (EBIT) and consolidated net earnings for the 2021 financial year. The outlook for the operating result (EBIT) had already been raised several times during the year and, at the end of the third quarter, an operating result (EBIT) in the range of € 450 million to € 500 million was anticipated. Thanks to continued brand momentum, successful product launches and a strong focus on flexibility in business operations, PUMA was able to outperform the adjusted earnings outlook for the full-year 2021, significantly exceeding the original profitability target.

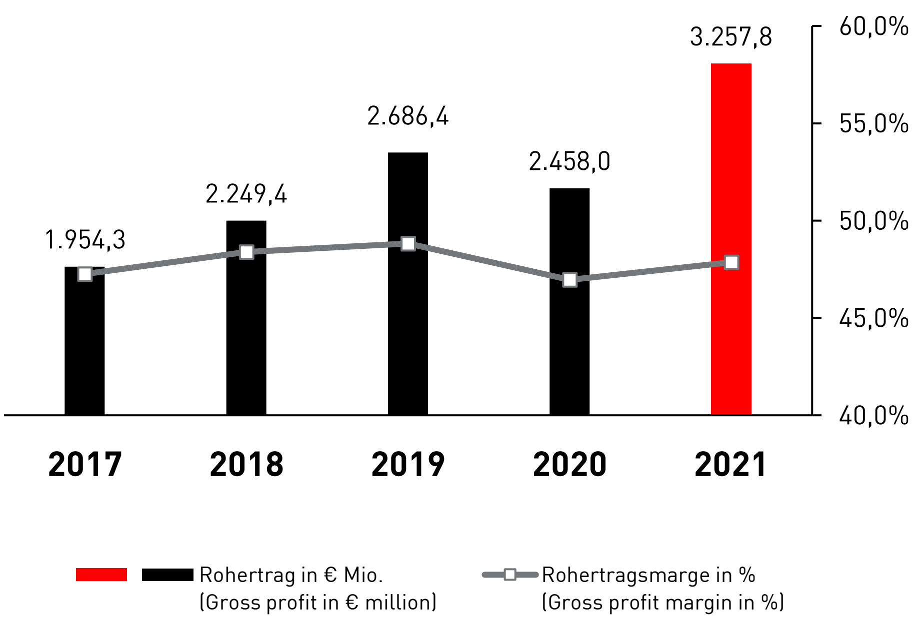
More details on earnings development in the financial year under review are provided below.

GROSS PROFIT MARGIN

PUMA's gross profit in the financial year 2021 increased by 32.5% from € 2,458.0 million to € 3,257.8 million. The gross profit margin rose by 90 basis points from 47.0% to 47.9%. This was in particular due to better sell-through and less promotional activity. By contrast, exchange rate effects, regional and distribution channel mix effects, and cost increases for inbound freight had a negative impact on the gross profit margin development.

The gross profit margin in the Footwear division increased from 45.7% in the previous year to 47.3% in 2021. The Apparel gross profit margin increased from 48.5% to 48.9%, and in Accessories it increased from 47.0% to 47.1%.

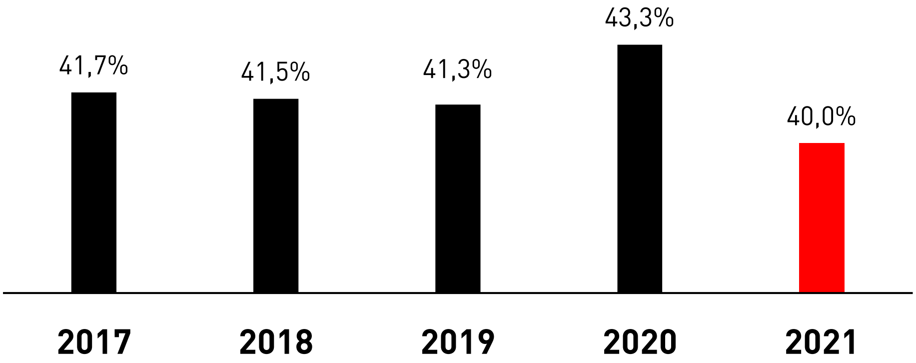
↗ **G.10 GROSS PROFIT/GROSS PROFIT MARGIN**



OTHER OPERATING INCOME AND EXPENSES

Other operating income and expenses (OPEX) increased by 20.3% to € 2,724.6 million in the financial year 2021 from a total of € 2,264.9 million in the previous year. Higher expenses for marketing, a higher number of PUMA-owned retail stores, higher sales-related distribution and warehousing costs as well as operational inefficiencies due to the ongoing negative impact of the COVID-19 pandemic contributed to this development. Meanwhile, continued cost control resulted in a significantly weaker increase in other operating income and expenses compared to sales growth. The operating leverage achieved is also reflected in the decrease in the expense ratio from 43.3% in the previous year to 40.0% in 2021, which contributed significantly to the improvement in profitability in the financial year 2021.

↗ **G.11 OPERATING EXPENSES** (€ million)



Within sales expenses, marketing/retail expenses increased by 24.7% to € 1,309.1 million, while the cost ratio was 19.2% of sales in 2021, compared with a cost ratio of 20.1% in the previous year. Other sales expenses, which mainly include sales-related costs and costs for warehousing and logistics, increased by 20.8% to € 898.2 million. The cost ratio of other sales expenses decreased to 13.2% of sales in 2021 compared to a cost ratio of 14.2% in the previous year.

Research and development/product management expenses increased by 11.6% to € 114.5 million compared to the previous year and the cost ratio fell slightly to 1.7%. Other operating income in the past financial year amounted to € 2.6 million and consisted primarily of income arising from the sale of fixed assets. General and administrative expenses increased by 9.9% to € 405.2 million in 2021. The cost ratio of general and administrative expenses fell to 6.0% of sales in 2021. Depreciation and amortization is included in the relevant costs and total € 287.3 million (previous year: € 275.7 million). In addition, the respective costs include impairment losses relating to right-of-use assets totaling € 18.5 million (previous year: impairment losses relating to goodwill and right-of-use assets totaling € 18.0 million).

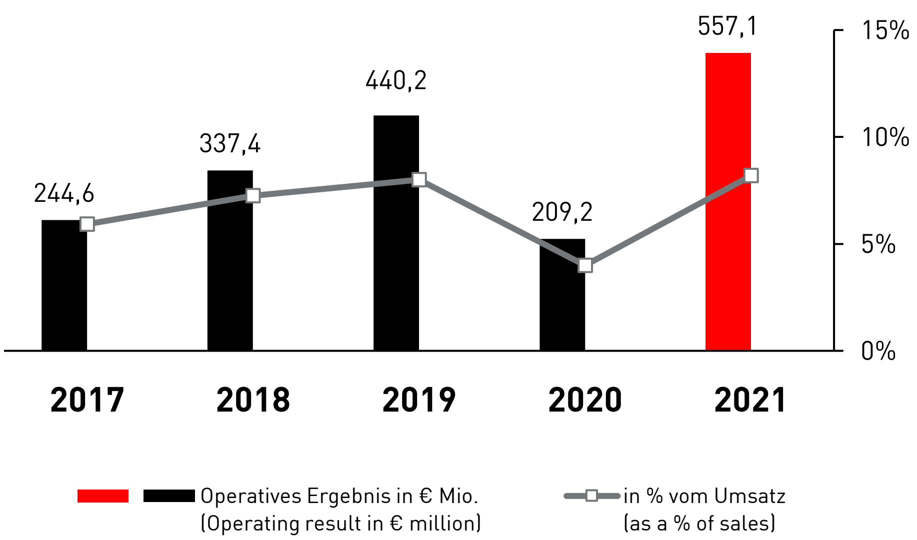
RESULT BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

The result before interest (= financial result), taxes, depreciation and amortization (EBITDA) increased by 71.6%, from € 502.9 million to € 862.8 million, in the financial year 2021. The EBITDA margin improved accordingly from 9.6% in the previous year to 12.7% in 2021.

OPERATING RESULT (EBIT)

In the financial year 2021, the operating result increased by 166.3% from € 209.2 million in the previous year to € 557.1 million. The significant improvement in profitability in the financial year 2021 is attributable to the strong sales growth combined with the improvement in the gross profit margin and the significantly smaller increase in other operating income and expenses compared to sales growth. Accordingly, the EBIT margin increased from 4.0% in the previous year to 8.2%.

↗ G.12 OPERATING RESULT - EBIT



FINANCIAL RESULT

The financial result decreased in 2021 from a total of € -46.8 million in the previous year to € -51.8 million. This development is due, among other things, to higher expenses from foreign currency exchange differences totaling € -9.0 million in 2021 compared to € -3.9 million in the previous year. An increase in expenses from interest components in connection with forward exchange transactions ("swap points") to a total of € -9.0 million in 2021 compared to € -3.9 million in the previous year also contributed to this development. By contrast, the interest result (the net balance of interest income and interest expenses) increased to a total of € -1.0 million in 2021 compared with € -5.7 million in the previous year.

EARNINGS BEFORE TAXES (EBT)

In the financial year 2021, PUMA generated earnings before taxes of € 505.3 million. This represents a significant increase of 211.2% compared to the previous year (€ 162.3 million). Tax expenses increased to € 128.5 million compared to € 39.2 million in the previous year. The tax rate increased slightly from 24.2% to 25.4% in 2021.

NET EARNINGS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Net earnings attributable to non-controlling interests relate to companies in the North American market, in each of which the same shareholder holds a minority stake. The earnings attributable to these interests increased by 51.9% to € 67.2 million in the 2021 financial year (previous year: € 44.2 million). These companies concern PUMA United North America and PUMA United Canada. The business purpose of these companies is the sale of socks, bodywear, accessories and children's apparel in the North American market.

NET EARNINGS

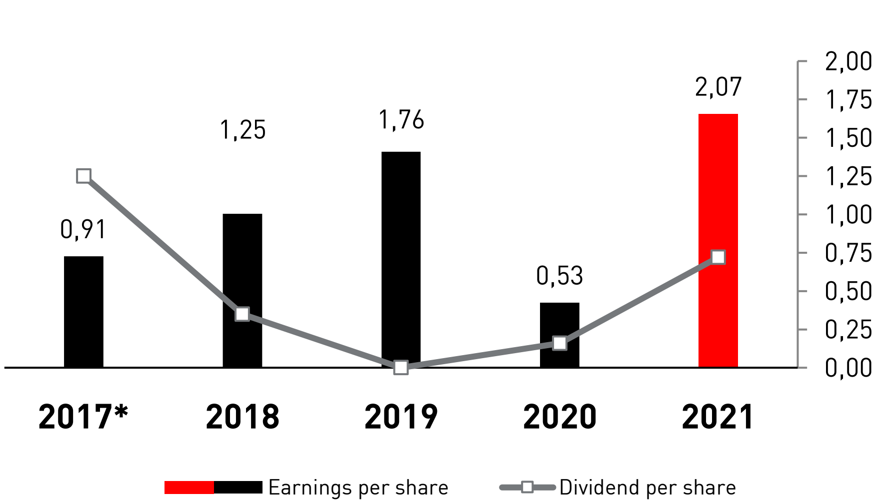
Net earnings improved by 292.4% from € 78.9 million to € 309.6 million in the 2021 financial year, representing the highest consolidated net earnings in PUMA's corporate history to date. The significant increase in consolidated net earnings was mainly the result of strong growth in sales combined with the improvement in gross profit margin and the operating leverage achieved. By contrast, the slight increase in the tax rate in 2021 resulted in a negative effect on the development of consolidated net earnings.

Earnings per share and diluted earnings per share increased from € 0.53 in the previous year to € 2.07 in the financial year 2021, in line with the development of the consolidated net earnings.

DIVIDENDS

Based on the positive net earnings, the Management Board and the Supervisory Board propose to the Annual General Meeting on May 11, 2022, that a dividend of € 0.72 per share be paid out from retained earnings of PUMA SE for the financial year 2021. The payout ratio for financial year 2021 is 34.8% of consolidated net earnings. This is in accordance with PUMA SE's dividend policy, which foresees a payout ratio of 25% to 35% of consolidated net earnings according to IFRS. The payment of the dividend is to take place in the days after the Annual General Meeting at which the decision is made on the payout. In the previous year, a dividend of € 0.16 per share was paid out and the payout ratio was 30.3% of consolidated net earnings.

↗ **G.13 EARNINGS/DIVIDEND PER SHARE** (in €)



* one/time special dividend

NET ASSETS AND FINANCIAL POSITION

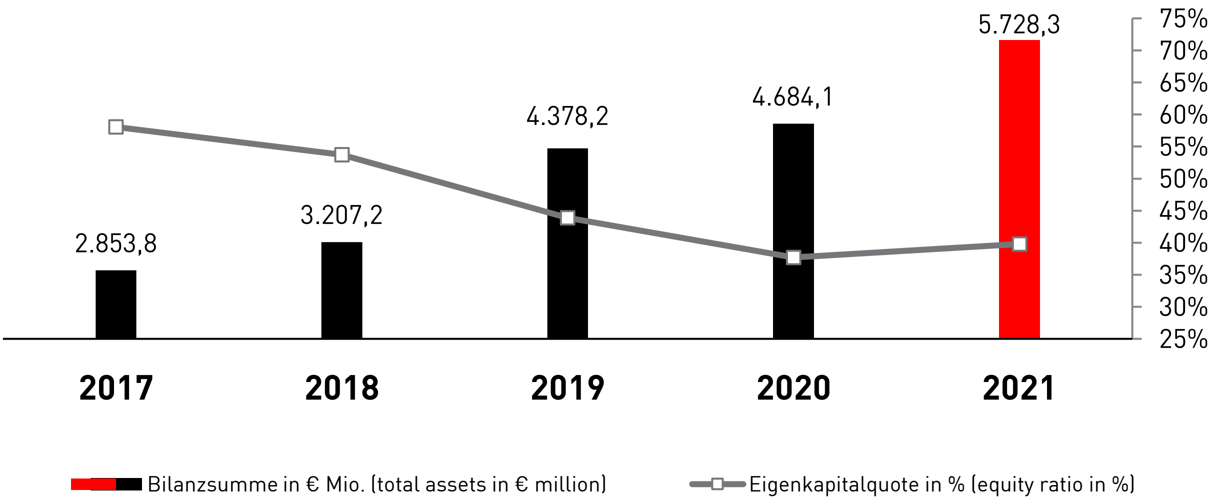
↗ T.02 BALANCE SHEET

	12/31/2021		12/31/2020		
	€ million	%	€ million	%	+/- %
Cash and cash equivalents	757.5	13.2%	655.9	14.0%	15.5%
Inventories	1,492.2	26.1%	1,138.0	24.3%	31.1%
Trade receivables	848.0	14.8%	621.0	13.3%	36.5%
Other current assets (working capital)	268.7	4.7%	174.5	3.7%	54.0%
Other current assets	123.3	2.2%	23.7	0.5%	420.4%
Current assets	**3,489.8**	60.9%	**2,613.0**	55.8%	33.6%
Deferred taxes	279.9	4.9%	277.5	5.9%	0.9%
Right-of-use assets	940.5	16.4%	877.6	18.7%	7.2%
Other non-current assets	1,018.0	17.8%	916.0	19.6%	11.1%
Non-current assets	**2,238.4**	39.1%	**2,071.0**	44.2%	8.1%
Total assets	**5,728.3**	100.0%	**4,684.1**	100.0%	22.3%
Current financial liabilities	68.5	1.2%	121.4	2.6%	-43.6%
Trade payables	1,176.5	20.5%	941.5	20.1%	25.0%
Other current liabilities (working capital)	704.6	12.3%	526.2	11.2%	33.9%
Current lease liabilities	172.4	3.0%	156.5	3.3%	10.1%
Other current liabilities	42.6	0.7%	127.2	2.7%	-66.5%
Current liabilities	**2,164.5**	37.8%	**1,872.8**	40.0%	15.6%
Deferred taxes	48.8	0.9%	40.6	0.9%	20.1%
Pension provisions	31.9	0.6%	38.2	0.8%	-16.3%
Non-current lease liabilities	851.0	14.9%	775.2	16.6%	9.8%
Other non-current liabilities	353.5	6.2%	193.4	4.1%	82.8%
Non-current liabilities	**1,285.3**	22.4%	**1,047.4**	22.4%	22.7%
Shareholders' equity	**2,278.5**	39.8%	**1,763.9**	37.7%	29.2%
Total liabilities and shareholders' equity	**5,728.3**	100.0%	**4,684.1**	100.0%	22.3%
Working capital	**727.9**		**465.8**		56.3%
- in % of net sales	10.7%		8.9%		

EQUITY RATIO

PUMA has a very solid capital base. As of the balance sheet date, the shareholders' equity of the PUMA Group increased by 29.2%, from € 1,763.9 million in the previous year to € 2,278.5 million as of December 31, 2021. In addition to the positive consolidated net earnings, positive effects of changes in value recognized directly in equity from the fair value measurement of derivative financial instruments in connection with cash flow hedging and the currency conversion of financial statements of foreign subsidiaries that do not prepare their account in the reporting currency, the euro, also contributed to the increase in consolidated shareholders' equity. As of the balance sheet date, the balance sheet total increased by 22.3%, from € 4,684.1 million in the previous year to € 5,728.3 million. Overall, this resulted in a 2.1 percentage points increase in the equity ratio, from 37.7% in the previous year to 39.8% as of December 31, 2021.

↗ G.14 TOTAL ASSETS/EQUITY RATIO



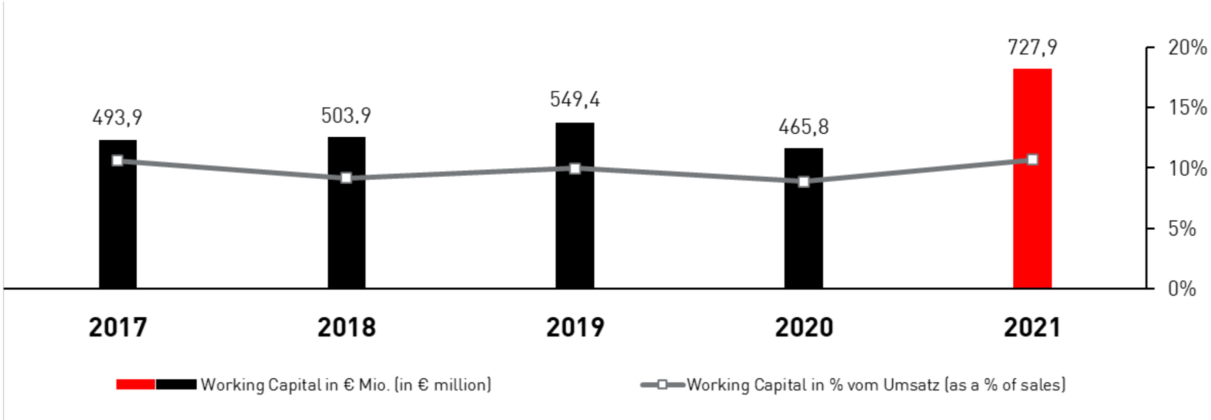
WORKING CAPITAL

As of the balance sheet date, working capital increased by 56.3% from € 465.8 million in the previous year to € 727.9 million as of December 31, 2021. In relation to net sales in the respective financial year, this corresponds to an increase in the working capital ratio from 8.9% in the previous year to 10.7% at the end of 2021. This development is mainly due to the stronger increase in inventories and trade receivables compared to the increase in trade payables.

Due to ongoing delivery delays, which, as of the balance sheet date, contributed to an increase in goods in transit by more than half compared to the previous year, there was an overall increase in inventories by 31.1% from € 1,138.0 million to € 1,492.2 million as of December 31, 2021. In addition, an increase in the number of PUMA-owned retail stores led to the rise in inventories. Trade receivables increased by 36.5% from € 621.0 million to € 848.0 million as a result of strong growth in sales and lower receivables factoring as of the balance sheet date. Other current assets, which are attributable to working capital, increased by 54.0% from € 174.5 million to € 268.7 million, mainly due to higher tax refund claims.

On the liabilities side, trade payables increased by 25.0%, from € 941.5 million to € 1,176.5 million due to higher inventories. Other current liabilities, which are included in working capital and include, among other things, customer bonus and warranty provisions, rose by 33.9% from € 526.2 million to € 704.6 million as a result of the strong increase in sales.

↗ G.15 WORKING CAPITAL



OTHER ASSETS AND OTHER LIABILITIES

Other current assets, which exclusively include the positive market value of derivative financial instruments, increased from € 23.7 million in the previous year to € 123.3 million. This development resulted from the increase in the U.S. dollar closing rate as of December 31, 2021, compared with the respective U.S. dollar rate when the hedging transactions were concluded.

Right-of-use assets increased by 7.2% year-on-year from € 877.6 million to € 940.5 million, mainly as a result of the move into new office buildings in the USA, France and Sweden and the increase in the number of PUMA-owned retail stores. The right-of-use assets referred to own retail stores totaling € 382.9 million (previous year: € 355.2 million), warehouses and offices totaling € 505.8 million (previous year: € 464.3 million) and other lease items, mainly technical equipment and machines and motor vehicles, totaling € 51.9 million as of December 31, 2021 (previous year: € 58.1 million). On the liabilities side, this led to an increase in current and non-current lease liabilities.

Other non-current assets, which mainly comprise intangible assets and property, plant and equipment, increased by 11.1% from € 916.0 million to € 1,018.0 million in the past financial year. The increase is linked to the significant expansion of investment activities in 2021, following the pandemic-related reduction in investments in non-current assets in the previous year aimed at reducing cash outflows.

As of 31 December 2021, current financial liabilities include the current portion of the promissory note loans in the amount of € 68.5 million. In the previous year, current liabilities to banks in the amount of € 21.4 million were also included in current financial liabilities in addition to the current portion of the promissory note loans in the amount of € 100.0 million.

Other current liabilities, which include the negative market value of derivative financial instruments, fell from € 127.2 million to € 42.6 million compared to the previous year.

Pension provisions decreased from € 38.2 million in the previous year to € 31.9 million. This development is primarily related to an increase in plan assets.

Other non-current liabilities, which mainly include promissory note loans totaling € 311.5 million (previous year: € 145.0 million), amounted to € 353.5 million (previous year: € 193.4 million).

CASH FLOW

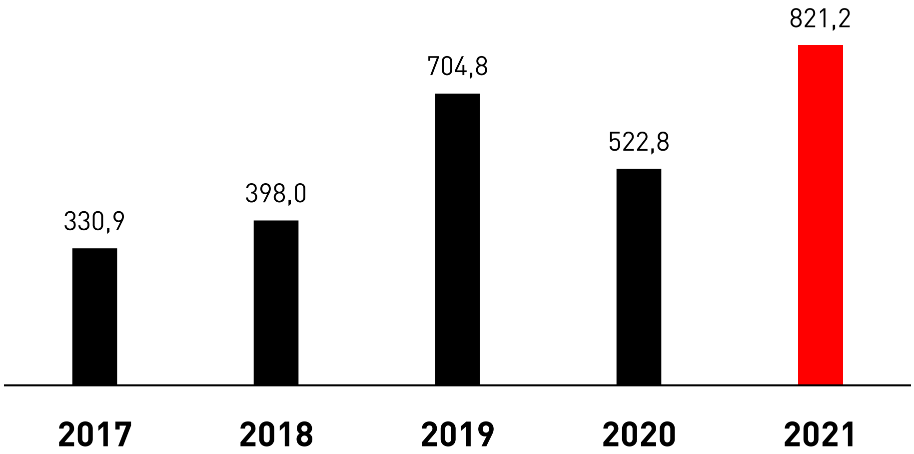
↗ T.03 CASH FLOW STATEMENT

	2021	2020	
	€ million	€ million	+/- %
Earnings before taxes (EBT)	**505.3**	**162.3**	211.2%
Financial result and non-cash expenses and income	315.9	360.4	-12.4%
Gross cash flow	**821.2**	**522.8**	57.1%
Change in net current assets	-214.3	-11.9	-
Payments for taxes on income	-146.9	-89.3	64.4%
Net cash from operating activities	**460.1**	**421.5**	9.2%
Payments for acquisitions	0.0	0.0	-
Payments for investing in fixed assets	-202.4	-151.0	34.1%
Other investing and divestment activities incl. interest received	18.6	5.5	-
Net cash used in investing activities	**-183.8**	**-145.5**	26.3%
Free cash flow	**276.2**	**276.0**	0.1%
Free cash flow (before acquisitions)	**276.2**	**276.0**	0.1%
- in % of net sales	4.1%	5.3%	
Dividend payments to equity holders of the parent company	-23.9	0.0	-
Dividend payments to non-controlling interests	-47.8	-45.6	5.0%
Proceeds from borrowings	235.0	94.2	149.4%
Cash repayments of borrowings	-121.9	0.0	-
Repayments of lease liabilities	-160.9	-135.0	19.2%
Payments of interest	-44.4	-43.0	3.3%
Net cash used in financing activities	**-164.0**	**-129.2**	26.9%
Exchange rate-related changes in cash and cash equivalents	-10.5	-8.9	18.4%
Change in cash and cash equivalents	**101.7**	**137.8**	-26.2%
Cash and cash equivalents at the beginning of the financial year	655.9	518.1	26.6%
Cash and cash equivalents at the end of the financial year	**757.5**	**655.9**	15.5%

NET CASH FROM OPERATING ACTIVITIES

The significant increase in profit before tax (EBT +211.2%) in the financial year 2021 was the main reason for the 57.1% increase in gross cash flow from € 522.8 million to € 821.2 million.

↗ **G.16 GROSS CASH FLOW** (€ million)



As a result of the increase in working capital, there was a cash outflow from the change in net working capital* of € -214.3 million in the financial year 2021 compared to a cash outflow of only € -11.9 million in the previous year. The cash outflow from payments for income taxes increased from € -89.3 million in the previous year to € -146.9 million in the financial year 2021 due to the increase in profitability. Overall, this led to a 9.2% increase in cash inflow from operating activities from € 421.5 million to € 460.1 million, enabling PUMA to improve cash inflow from operating activities in the financial year 2021, despite the increase in working capital.

NET CASH USED IN INVESTING ACTIVITIES

In the financial year 2021, cash outflow from investment activities increased from a total of € 145.4 million to € 183.8 million. The investments in fixed assets included in this figure increased from € 151.0 million in the previous year to € 202.4 million in 2021 in line with our investment planning. The increase was primarily attributable to investments in our own retail stores, in our logistics infrastructure and in new administrative buildings. In addition, investments in the modernization of the IT infrastructure continued to be made.

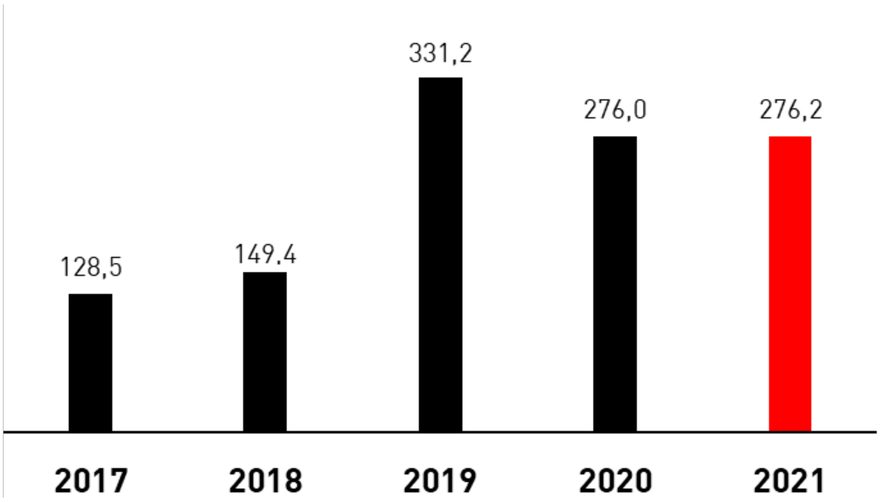
* Net current assets include working capital line items plus current assets and liabilities, which are not part of the working capital calculation. Current lease liabilities are not part of the net current assets.

FREE CASH FLOW BEFORE ACQUISITIONS

The free cash flow before acquisitions is the balance of the cash inflows and outflows from operating and investing activities. In addition, an adjustment is made for incoming and outgoing payments that relate to shareholdings, where applicable. No acquisitions were made in 2020 and 2021.

Free cash flow before acquisitions remained constant in the financial year 2021 at € 276.2 million compared to the previous year (€ 276.0 million). Free cash flow before acquisitions was 4.1% of net sales compared to 5.3% in the previous year.

↗ **G.17 FREE CASH FLOW (BEFORE ACQUISITIONS)** (€ million)



NET CASH USED IN FINANCING ACTIVITIES

The net cash used in financing activities increased overall from a cash outflow of € 129.2 million in the previous year to a cash outflow of € 164.0 million in 2021. The increase in cash outflow resulted mainly from the dividend payment to the shareholders of PUMA SE for the financial year 2020 in the amount of € 23.9 million, after the dividend payment was suspended in the previous year due to the COVID-19 pandemic to limit the cash outflow.

The net cash used in financing activities also included payouts to non-controlling interests totaling € 47.8 million in 2021 (previous year: € 45.6 million). Cash inflows from borrowings amounted to € 235.0 million, compared with cash inflows of € 94.2 million in the previous year. In the financial year 2021, payments made for the repayment of financial liabilities totaled € 121.9 million (previous year: € 0.0 million). The cash outflows for the repayment of leasing liabilities and related interest expenses included in the cash outflow from financing activities increased from a total of € 164.2 million in the previous year to € 192.4 million in 2021.

As of December 31, 2021, PUMA had cash and cash equivalents of € 757.5 million, an increase of 15.5% compared to the previous year (€ 655.9 million). The PUMA Group also had credit lines totaling € 1,322.0 million as of December 31, 2021 (previous year: € 1,639.1 million). Unutilized credit lines totaled € 942.0 million on the balance sheet date, compared to € 1,372.7 million in the previous year.

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

Despite the numerous operational challenges, 2021 was an excellent financial year for PUMA. Although the negative effects of the COVID-19 pandemic continued in 2021, we were able to achieve the highest sales volume to date and, at the same time, the best net earnings in PUMA's corporate history. This was only possible thanks to the extraordinary commitment of our employees, who coped admirably with this difficult time through their flexibility, determination and positive attitude. Our approach to deal with the COVID-19 pandemic was to manage the crisis in the short-term without hindering PUMA's mid-term momentum. Accordingly, our primary goal was to survive the crisis together with our partners, to recover and then to emerge stronger from the crisis with growth. The health and safety of our employees, business partners and customers were our top priority. We have also worked hard to limit as much as possible the delays in our supply chain and the production losses at our suppliers' sites caused, for example, by the COVID-19 lockdown in South Vietnam. In addition, we had to deal with a very difficult market situation in China this year. The long-standing, close and trusting cooperation with our customers, manufacturers, logistics partners and other partners was one of the most important success factors for us in dealing with the pandemic.

With regard to our organizational development, we made important progress this year. Our Central European logistics center in Geiselwind, Germany started operations this year, and we have also been working intensively on expanding the logistics centers in our main markets. Our North America and international marketing organization in the USA and our administrative functions in France and Sweden have moved to new, modern office buildings. Likewise, we continued to improve our processes and systems and invested, for example, in the modernization of our IT infrastructure and the further development of our product development and ERP systems.

We were able to achieve currency-adjusted sales growth of 31.7% in the financial year 2021. All regions and all product divisions contributed to this development with double-digit growth rates. We were also able to make significant improvements in terms of profitability in 2021, achieving the best operating result (EBIT) and consolidated net earnings in PUMA's corporate history. In addition to the strong growth in sales, this development is also attributable to the improvement in the gross profit margin and to the operating leverage achieved. At € 557.1 million, operating result in the past financial year exceeded our outlook of € 450 million to € 500 million, which we had already revised upward during the year. Earnings per share almost quadrupled compared to the previous year, from € 0.53 to € 2.07. This means that we have exceeded our profitability targets in the past financial year.

With regard to the balance sheet, we believe that PUMA continues to have a very solid capital base. As of the balance sheet date, the PUMA Group's equity amounted to almost € 2.3 billion, and the equity ratio was just under 40%.

Our consistent focus on working capital management made a significant contribution in the past financial year to limiting the negative impact on our working capital despite the delays in the supply chain, which led to a significant increase in goods in transit. Our cash and cash equivalents increased to € 757.5 million as of the balance sheet date. In addition, the PUMA Group has unutilized credit lines totaling € 942.0 million at its disposal.

Consequently, the net asset, financial and income situation of the PUMA Group is overall very solid at the time the Combined Management Report was prepared. This enables the Management Board and the Supervisory Board to propose to the Annual General Meeting on May 11, 2022, a dividend of € 0.72 per share for the financial year 2021. This corresponds to a payout ratio of 34.8% in relation to the consolidated net earnings according to IFRS and is in line with our dividend policy.

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

The annual financial statements of PUMA SE are prepared in accordance with the rules of the German Commercial Code (German GAAP, HGB), taking into account the SEAG (German SE Implementation Act) and the German Stock Corporation Act (AktG).

PUMA SE is the parent company of the PUMA Group. PUMA SE's results are to a large extent influenced by the directly and indirectly held subsidiaries and shareholdings. The business development of PUMA SE is essentially subject to the same risks and opportunities as the PUMA Group.

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

RESULTS OF OPERATIONS

↗ T.04 PROFIT AND LOSS STATEMENT (GERMAN GAAP, HGB)

	2021		2020		
	€ million	%	€ million	%	+/- %
Net Sales	**948.7**	100.0%	**709.7**	100.0%	**33.7%**
Other operating income	**31.4**	3.3%	**40.4**	5.7%	**-22.3%**
Material expenses	-270.8	-28.5%	-237.2	-33.4%	14.2%
Personnel expenses	-120.4	-12.7%	-94.2	-13.3%	27.8%
Depreciation	-29.4	-3.1%	-25.4	-3.6%	15.4%
Other operating expenses	-630.8	-66.5%	-512.1	-72.2%	23.2%
Total expenses	**-1,051.4**	-110.8%	**-868.9**	-122.4%	**21.0%**
Financial result	**208.6**	22.0%	**359.5**	50.7%	**-42.0%**
Income before taxes	**137.3**	14.5%	**240.7**	33.9%	**-43.0%**
Taxes on income	-13.7	-1.4%	-11.0	-1.6%	23.7%
Net income	**123.6**	13.0%	**229.7**	32.4%	**-46.2%**

In the financial year 2021, **net sales** increased by a total of 33.7% to € 948.7 million. The increase resulted both from higher revenues from product sales and from higher commission income in the context of license management. Revenue from PUMA SE product sales increased by 17.7% to € 412.5 million. The royalty and commission income included in net sales increased by 50.4% to € 495.1 million. Other revenue, which mainly consisted of recharges of costs to affiliated companies, totaled € 41.2 million in 2021 (previous year: € 30.0 million).

Other operating income amounted to € 31.4 million in 2021 (previous year: € 40.4 million) and includes, in particular, realized and unrealized gains from currency conversion related to the measurement of receivables and liabilities in foreign currencies at the balance sheet date.

The total **expenditure** from material expenses, personnel expenses, depreciation and other operating expenses increased by 21.0% to € 1,051.4 million compared to the previous year (previous year: total of € 868.9 million). The increase in material expenses compared to the previous year was mainly due to the increase in sales. The increase in personnel expenses is related in particular to the higher number of employees and increased provisions for bonuses. Other operating expenses were up compared to the previous year due, among other things, to increased marketing and sales expenses.

As forecasted in our financial planning for 2021, the **financial result** fell by 42.0% year-on-year to € 208.6 million. The decline was mainly due to significantly lower dividends from shareholdings in affiliated companies. In addition, there were higher expenses from loss transfers from affiliated companies. By contrast, income from profit transfers from affiliated companies increased and improved net interest income, the balance of interest expense and interest income, had a positive impact on the financial result.

Despite a significant increase in sales, the rise in expenses and the decline in the financial result led to a 43.0% decrease of **earnings before taxes**, from € 240.7 million in the previous year to € 137.3 million in 2021. **Taxes on income** amounted to € 13.7 million (previous year: € 11.0 million). Accordingly, PUMA SE's **net income** under German Commercial Code (German GAAP, HGB) decreased by 46.2% to € 123.6 million in the financial year 2021 (previous year: € 229.7 million).

NET ASSETS

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

	12/31/2021		12/31/2020		
	€ million	**%**	**€ million**	**%**	**+/- %**
Total fixed assets	1,087.0	50.3%	1,072.0	58.5%	1.4%
Inventories	53.9	2.5%	65.5	3.6%	-17.7%
Receivables and other current assets	607.2	28.1%	424.3	23.1%	43.1%
Cash and cash equivalents	398.8	18.4%	260.2	14.2%	53.3%
Total current assets	1,059.9	49.0%	750.0	40.9%	41.3%
Others	15.1	0.7%	11.5	0.6%	31.2%
Total assets	**2,162.0**	100.0%	**1,833.5**	100.0%	**17.9%**
Shareholders' equity	916.9	42.2%	815.1	44.5%	12.5%
Accruals/provisions	117.6	5.4%	89.0	4.9%	32.0%
Liabilities	1,127.0	52.1%	929.4	50.7%	21.3%
Others	0.5	0.0%	0.0	0.0%	-
Total liabilities and shareholders' equity	**2,162.0**	100.0%	**1,833.5**	100.0%	**17.9%**

Fixed assets increased by a total of 1.4% to € 1,087.0 million in 2021. The increase is due to further investments in the IT infrastructure and the acquisition of additional shares in the amount of € 6.0 million as part of the capital increase of Borussia Dortmund GmbH & Co. KGaA (BVB).

In terms of **current assets**, inventories fell by 17.7% to € 53.9 million as a result of the strong growth in sales. By contrast, receivables and other assets rose by a total of 43.1% to € 607.2 million compared with the previous year. Both increased receivables from affiliated companies and higher trade receivables contributed to this development. Cash and cash equivalents increased by 53.3% to € 398.8 million compared to the previous year.

On the **liabilities side**, equity rose by 12.5% to € 916.9 million, as a result of the net income in 2021. Despite this, an increase in total assets due to higher provisions and liabilities led to a reduction in the equity ratio at the balance sheet date from 44.5% in the previous year to 42.4% as of December 31, 2021.

Provisions increased by 32.0% year-on-year to € 117.6 million. This development resulted from higher provisions for personnel, customer bonuses and for outstanding invoices. Liabilities increased from € 929.4 million in the previous year to € 1,127.0 million as of December 31, 2021. This increase was primarily due to higher liabilities to banks, as further promissory note loans were taken out, and to increased liabilities to affiliated companies.

FINANCIAL POSITION

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

	2021	2020	
	€ million	€ million	+/- %
Net cash from operating activities	**124.0**	**24.9**	**>100%**
Net cash used in investing activities	**-206.7**	**-194.7**	**6.2%**
Free cash flow	**-82.7**	**-169.9**	**-51.3%**
Net cash from financing activities	**221.4**	**382.8**	**-42.2%**
Change in cash and cash equivalents	**138.6**	**213.0**	**-34.9%**
Cash and cash equivalents at the beginning of the financial year	260.2	47.2	>100%
Cash and cash equivalents at the end of the financial year	**398.8**	**260.2**	**53.3%**

The **cash inflow from operating activities** increased from € 24.9 million to € 124.0 million in the 2021 financial year. This development resulted primarily from the improvement in the operating result (= net sales minus operating expenses and income). Furthermore, the slight decrease in the working capital of PUMA SE also had a positive effect on the cash inflow from operating activities.

The **net cash used in investing activities** in 2021 includes investments in fixed assets and cash outflows from the granting of receivables to affiliated companies. In addition, the cash outflow from investment activities in 2021 includes the cash outflow for the acquisition of additional BVB shares as part of the capital increase.

Net cash from financing activities showed a total cash inflow of € 221.4 million in 2021 (previous year: € 382.8 million). The cash inflow was mainly attributable to the increase in liabilities to banks resulting from the issue of new promissory note loans and to an increase in liabilities to affiliated companies. In contrast, the dividend payment to the shareholders of PUMA SE for the financial year 2020 in the amount of € 23.9 million, after the dividend payment was suspended in the previous year due to the COVID-19 pandemic to limit the cash outflow, resulted in a cash outflow.

OUTLOOK

In PUMA SE's financial statements under German Commercial Code (German GAAP, HGB), we expect an increase in net sales in the low double-digit percentage range for the financial year 2022. Assuming increasing dividends from investments in affiliated companies, we expect a slight increase of income before taxes for the 2022 fiscal year.

INFORMATION CONCERNING TAKEOVERS

The following information, valid December 31, 2021, is presented in accordance with Art. 9 p. 1 c) (ii) of the SE Regulation in conjunction with Sections 289a, 315a German Commercial Code (HGB). Details under Sections 289a, 315a HGB which do not apply at PUMA SE are not mentioned.

Composition of the subscribed capital (Sections 289a [1][1], 315a [1][1] HGB)
On the balance sheet date, subscribed capital totaled € 150,824,640.00 and was divided into 150,824,640 no-par value shares with a proportional amount in the statutory capital of € 1.00 per share. As of the balance sheet date, the Company held 1,219,040 treasury shares.

Shareholdings exceeding 10% of the voting rights (Sections 289a [1][3], 315a [1][3] HGB)
As of December 31, 2021, there was one shareholding in PUMA SE that exceeded 10% of the voting rights. It was held by the Pinault family via several companies controlled by them (ranked by size of stake held by the Pinault family: Financière Pinault S.C.A., Artémis S.A.S. and Kering S.A.). The shareholding of Kering S.A. in PUMA SE amounted to 4.0% of the share capital according to Kering's press release from May 27, 2021. The shareholding of Artémis S.A.S. and Kering S.A. together amounts to 32.5% of the share capital.

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

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

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

Authorized Capital

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

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

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

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

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

Conditional Capital

The Annual General Meeting of April 12, 2018 has authorized the Management Board until April 11, 2023 with the approval of the Supervisory Board to issue once or several times, in whole or in part, and at the same time in different tranches bearer and/or registered option and/or convertible bonds, and participation rights and/or participating bonds or combinations thereof with or without maturity restrictions in the total nominal amount of up to € 1,000,000,000.00.

The share capital is conditionally increased by up to € 30,164,920.00 by issue of up to 30,164,920 new no-par value bearer shares (Conditional Capital 2018). The conditional capital increase shall only be implemented to the extent that option/conversion rights are exercised, or the option/conversion obligations are performed or tenders are carried out and to the extent that other forms of performance are not applied.

No use has been made of this authorization to date.

Authorization to acquire treasury shares

The Annual General Meeting of May 7, 2020 resolved under agenda item 6 to authorize PUMA SE to acquire and utilize treasury shares until May 6, 2025, including the authorization to sell treasury shares while excluding shareholders' pre-emption rights. The authorization from 2020 was extended by resolution of the Annual General Meeting on May 5, 2021 to the effect that the Supervisory Board was authorized to issue treasury shares to members of the Management Board as a component of Management Board remuneration, while excluding shareholders' pre-emption rights. In all other aspects, the authorization from 2020 remained unchanged.

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

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

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

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

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

Effective implementation of the principles of corporate governance is an important aspect of PUMA's corporate policy. Transparent and responsible corporate governance is a key prerequisite for achieving corporate targets and for increasing the Company's value in a sustainable manner. The Management and the Supervisory Board work closely with each other in the interests of the entire Company to ensure that the Company is managed and monitored in an efficient way that will ensure sustainable added value through good corporate governance. In the following the Management Board and the Supervisory Board report on the corporate governance at PUMA SE in accordance with Principle 22 of the German Corporate Governance Code (DCGK). This section also includes the Statement of Compliance in accordance with Art. 9(1)c(ii) of the SE Regulation (SE-VO) in conjunction with Section 289f and Section 315d German Commercial Code (HGB). Pursuant to Section 317(2) Sentence 6 of the HGB, the purpose of the audit of the statements pursuant to Section 289f (2) and (5) and Section 315d of the HGB is limited to determining whether such statements have actually been provided.

PUMA SE has the legal form of a European company (Societas Europaea, or SE). Being a SE headquartered in Germany, PUMA SE is subject to European and German law for SEs while remaining subject to German stock corporation law. As a company listed in Germany, PUMA SE adheres to the German Corporate Governance Code.

PUMA SE has a dual management system featuring strict personal and functional separation between the Management Board and the Supervisory Board (two-tier board). Accordingly, the Management Board manages the company while the Supervisory Board monitors and advises the Management Board.

STATEMENT OF COMPLIANCE PURSUANT TO SECTION 161 AKTG FOR 2021

The Management Board and the Supervisory Board of PUMA SE declare that - since the last Statement of Compliance from November 9, 2020 - PUMA SE has complied, and will continue to comply, with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated December 16, 2019 (effective as of March 20, 2020, "Code 2020"), to the extent required by the Code 2020.

Herzogenaurach, November 9, 2021

PUMA SE

For the Management Board		For the Supervisory Board
Bjørn Gulden	Hubert Hinterseher	Jean-François Palus

The Statement of Compliance can be downloaded on the Company's homepage (http://about.PUMA.com under "INVESTOR RELATIONS / CORPORATE GOVERNANCE"). The Statements of Compliance of the past five years are also accessible on this website.

RELEVANT DISCLOSURES OF CORPORATE GOVERNANCE PRACTICES THAT ARE APPLIED BEYOND THE REGULATORY REQUIREMENTS

CORPORATE SOCIAL RESPONSIBILITY

In order to fulfill our ecological and social responsibility as a global sporting goods manufacturer, PUMA has developed group-wide guidelines on environmental management and on compliance with workplace and social standards as well as human rights. PUMA is convinced that only on such a foundation can a lasting and sustainable corporate success be achieved. That is why PUMA is committed to the principles of the UN Global Compact. The PUMA Code of Ethics and the PUMA Code of Conduct prescribe ethical and environmental standards with which both employees and suppliers are required to comply. Detailed information on the Company's sustainability strategy can be found in the Sustainability section of the Annual Report or on the Company's homepage (http://about.PUMA.com under "FOREVER BETTER").

COMPLIANCE MANAGEMENT SYSTEM

PUMA's management acts in compliance with laws and self-imposed standards of conduct. PUMA has set up a Compliance Management System (CMS) to systematically prevent, detect and sanction violations in the areas of corruption, money laundering, conflicts of interest, antitrust law, fraud and embezzlement. Violations of the law or internal guidelines will not be tolerated.

The PUMA Code of Ethics is an important building block of the CMS and is binding for employees of all subsidiaries worldwide. It defines the guidelines and values that shape PUMA's identity. PUMA expects all employees to be aware of these values and to act accordingly. The Code of Ethics contains rules, among other things, on dealing with conflicts of interest and personal data and prohibits insider trading, anti-competitive behavior and corruption in any form. In order to familiarize employees with the rules of the Code of Ethics and to establish uniform behavioral guidelines, the Code of Ethics is supplemented by specific group-wide guidelines. Employees sign a statement that they familiarize and will comply with the Code of Ethics and other internal policies.

All employees are familiarized with the regulatory areas of the Code of Ethics through ongoing mandatory e-learning. In addition, employees selected on the basis of risk-based principles are given in-depth knowledge through suitable communication measures, classroom training or more comprehensive e-learnings. In 2021, the annual e-learning on the Code of Ethics covered the topics of anti-bribery and anti-corruption, conflict of interest and reporting of compliance violations ("speak up culture"). The Compliance Department developed the content of the training itself in order to achieve the greatest possible learning success with case studies that PUMA employees could relate to. The CEO of PUMA SE encouraged all PUMA employees to complete the e-learning on the Code of Ethics. The clear tone from the top resulted in 98.8% of PUMA employees (98.4% PUMA SE) across the Group successfully completing the Code of Ethics e-learning. At the beginning of 2021, the Business Partner Due Diligence Policy developed in the previous year was implemented. In it, existing processes for the identification and treatment of business partner risks were consolidated and partly redefined. The process includes a risk assessment to identify business partners with a high-risk profile and describes the due diligence steps to be applied to such business partners. The due diligence steps include, for example, a compliance screening and compliance and financial (payment method, market conformity of remuneration) health checks. A structured approval process defines when the local compliance officer can approve a high-risk business partner and when the chief compliance officer must be involved in the approval process. 684 employees were trained Group-wide on the due diligence steps.

The Management Board is responsible for the proper functioning of the CMS. It is supported by a compliance organization consisting of the Chief Compliance Officer and compliance officers in the main operating Group companies. The Chief Compliance Officer of PUMA SE reports directly to the CEO of PUMA SE. The local compliance officers also serve as direct contact persons for employees and support them by appropriate communication measures as well as in dealing with and processing compliance incidents. The Chief Compliance Officer and the local compliance officers regularly exchange information on the results of their risk analyses and make any necessary adjustments to the compliance management system. The internal audit department audits the compliance controls on a yearly basis. To facilitate cooperation within the global compliance organization, regular virtual meetings are held with the local compliance officers. These provide an opportunity to exchange experience and knowledge. This informal exchange of information is supplemented by a compliance reporting process. The Chief Compliance Officer reports to the Audit Committee of the Supervisory Board of PUMA SE about the outcome of this reporting process. Thereby, the current status of the implementation of compliance structures and serious compliance violations are addressed. The Chief Compliance Officer works closely with the Legal Department and the Internal Audit.

PUMA has a Group-wide electronic whistleblower platform, which is operated by an external provider and to which employees and third parties can safely and confidentially report illegal or unethical conduct in a protected manner. Violations from all risk areas can be reported. Insofar as they do not fall within the competence of the compliance organization, the responsible specialist departments are responsible for identifying and taking measures. The introduction of the platform was communicated throughout the Group by the CEO and the communication was flanked by appropriate information material. Every year, the local compliance officers expressly draw attention to the whistleblower system through appropriate communication measures or in face-to-face training sessions. Whistleblowers who report misconduct in good faith are protected from retaliation. All reports are followed up immediately and, if confirmed, appropriate measures are taken. In 2021, the Compliance department at headquarters received 69 reports of alleged violations. The majority of cases did not fall within the remit of the Compliance department. In addition to the whistleblower platform, there is a global hotline for whistleblowers from the supply chain.

DESCRIPTION OF THE WORKING PRACTICES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

PUMA SE has three bodies – the Management Board, the Supervisory Board and the Annual General Meeting.

MANAGEMENT BOARD

The Management Board of PUMA SE manages the Company on its own responsibility with the goal of sustainable value creation. It develops PUMA's strategic orientation and coordinates it with the Supervisory Board. In addition, it ensures group-wide compliance with legal requirements and an effective risk management and internal control system.

The members of the Management Board are appointed by the Supervisory Board. The Supervisory Board has set a general age limit of 70 years for the members Management Board. The Management Board currently consists of four members and has a CEO. Further information on the areas of responsibility of the members of the Management Board and their mandates can be found in the Notes to the Consolidated Financial Statements (last chapter). No member of the Management Board has, in aggregate, more than two Supervisory Board mandates in non-group listed companies or comparable functions.

The members of the Management Board are obliged to disclose conflicts of interest to the Chair of the Supervisory Board and to the CEO without undue delay and to inform the other members of the Management Board accordingly. They may only assume sideline activities, in particular supervisory board and comparable mandates outside the PUMA Group, with the prior consent of the Supervisory Board. In the past fiscal year, the members of the Management Board of PUMA SE did not report any conflicts of interest.

The principles of cooperation of the Management Board of PUMA SE are set out in the Rules of Procedure for the Management Board, which can be viewed at http://about.PUMA.com under "INVESTOR RELATIONS / CORPORATE GOVERNANCE".

SUPERVISORY BOARD

The German Codetermination Act does not apply to PUMA SE as a European company. Rather, the size and composition of the Supervisory Board are determined by the Articles of Association of PUMA SE and the Agreement on the Involvement of Employees in PUMA SE dated July 11, 2011 and its amendment dated February 7, 2018. The Supervisory Board of PUMA SE consists of six members, four of whom are shareholder representatives and two of whom are employee representatives. Shareholder representatives are being elected individually. CVs of the individual Supervisory Board members are available on the Internet and are updated annually. The term of office of the current Supervisory Board members ends at the end of the Annual General Meeting which resolves on the discharge of the members of the Supervisory Board for the financial year 2022. Further information on the members of the Supervisory Board, their mandates and the term of their membership can be found in the Notes to the Consolidated Financial Statements (last chapter). Supervisory Board members who are not a member of any Management Board of a listed company have not accepted more than five Supervisory Board mandates at non-group listed companies or comparable functions.

The Supervisory Board appoints the members of the Management Board and may dismiss them at any time for good cause. Initial appointments are for three years. The Supervisory Board adopts a clear and understandable remuneration system for the Management Board. In case of any significant change, at least every four years, it shall submit the remuneration system to the Annual General Meeting for approval. The Annual General Meeting on May 5, 2021 approved a further developed Management Board remuneration system submitted by the Supervisory Board, which complies with the requirements of the Act Implementing the Second Shareholders' Directive (ARUG II), follows the recommendations of the Code 2020 and is even more strongly aligned with shareholder interests. Further information on the remuneration of the Management Board is summarized in the Compensation Report (see https://about.puma.com/en/investor-relations/corporate-governance).

The Supervisory Board monitors and advises the Management Board on the implementation of the strategy. The Management Board informs the Supervisory Board regularly, promptly and comprehensively about all issues of relevance to the Company relating to strategy, planning, business development, the risk situation, risk management and compliance management system. It deals with deviations in the course of business from the established plans and targets, stating the reasons. The Supervisory Board is involved by the Management Board in decisions of paramount importance for the Company or beyond the ordinary course of business of PUMA SE and the PUMA Group and the Supervisory Board needs to approve those decisions.

Together with the Management Board, the Supervisory Board ensures succession planning for future Management Board positions and key functions in the PUMA Group. On the basis of group-wide talent conferences, the Management Board develops recommendations for potential internal successor appointments, which it discusses regularly with the Supervisory Board. In making its recommendations, the Management Board takes into account the Diversity Concept adopted by the Supervisory Board for the composition of the Management Board (see below).

Between the meetings, the Chair of the Supervisory Board is in regular contact with the CEO in order to discuss issues of strategy, business development, the risk situation, risk management and compliance of PUMA. Prior to Supervisory Board meetings, the CEO or the CFO speak separately to the employee representatives and the shareholder representatives, if need be. At the end of the regular meetings, the Supervisory Board always has the opportunity to discuss issues in the absence of the Management Board. It also makes regular use of this opportunity. The members of the Supervisory Board also participate in the meetings by telephone or video conference.

The Supervisory Board regularly reviews the efficiency of its activities. The last efficiency review was initiated at the end of 2021. With the support of external experts, a comprehensive questionnaire has been prepared, which was answered by each of the Supervisory Board members. In early 2022, the results will be evaluated, discussed by the Supervisory Board and any improvement measures will be defined.

No Supervisory Board member is a member of a governing body of, or exercises advisory functions at, significant competitors of the Company; no Supervisory Board member holds any personal relationships with a significant competitor of the Company.

The Company supports the Supervisory Board in its training activities, for example by having the Legal Department regularly review changes in the legal framework for the Supervisory Board and address them in the meetings. In an onboarding program, new members of the Supervisory Board not only receive training from the legal department on their rights and duties, but also have the opportunity in particular to meet the members of the Management Board and other executives for a bilateral exchange on current management issues and thus gain an overview of relevant topics of the Company. In addition, the Supervisory Board was trained on the topic of sustainability and supply chain in 2021.

The principles of cooperation of the Supervisory Board of PUMA SE are set out in the Rules of Procedure for the Supervisory Board, which can be viewed at http://about.PUMA.com under "INVESTOR RELATIONS / CORPORATE GOVERNANCE".

SHAREHOLDERS AND ANNUAL GENERAL MEETING

The shareholders of PUMA SE exercise their rights, in particular their information and voting rights, at the Annual General Meeting. Each share has one vote. Our shareholders can exercise their voting rights themselves or through a proxy appointed by the Company and bound by instructions. All documents and information on the Annual General Meeting are available on the website of PUMA SE.

As part of our comprehensive investor relations and public relations work, we are in close contact with our shareholders. We inform shareholders, financial analysts, shareholders' associations, the media and the interested public comprehensively and regularly about the situation of the Company and inform them without undue delay about significant business changes. The Chair of the Supervisory Board is also prepared to discuss Supervisory Board-specific issues with investors within an appropriate framework.

In addition to other communication channels, we make intensive use of the Company's website for our investor relations work. At http://about.PUMA.com/en/investor-relations, all material information published in the 2021 financial year, including annual, quarterly and half-yearly financial reports, press releases, voting rights announcements by major shareholders, presentations and the financial calendar, can be accessed.

DESCRIPTION OF THE WORKING PRACTICES AND THE COMPOSITION OF THE COMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board meets at least every three months. Meetings must also be held if the best interests of the Company so require or if a member of the Supervisory Board requests that the meeting be convened. The Supervisory Board has established four committees to perform its duties and receives regular reports on their work. The principles of cooperation of the Supervisory Board of PUMA SE and the duties of the committees are set out in the Rules of Procedure for the Supervisory Board, which can be viewed at http://about.PUMA.com under "INVESTOR RELATIONS / CORPORATE GOVERNANCE".

The Personnel Committee consists of three members. The Personnel Committee is responsible for entering into and making changes to the Management Board members' employment contracts and for establishing policies for Human Resources and personnel development. The entire Supervisory Board decides on issues involving the Management Board members' compensation based on recommendations from the Personnel Committee. The members of the Personnel Committee are Jean-François Palus (Chair), Fiona May and Martin Koeppel.

The Audit Committee consists of three members. The Chair of the Audit Committee must be an independent shareholder representative and must have expertise in the fields of accounting and auditing in accordance with Section 100(5) AktG. In particular, the Audit Committee is responsible for the review of the accounting comprising particularly of the consolidated financial statements and the group management report (including CSR reporting), interim financial information and the single entity financial statements in accordance with the German Commercial Code (HGB). It is furthermore responsible for monitoring the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, compliance and the statutory audit of the financial statements, with particular regard to the selection and the required independence of the statutory auditors, issuing the audit mandate to the statutory auditors, defining the audit areas of focus, the quality of the audit, any additional services to be performed by the auditors and the fee agreement. The recommendation of the Supervisory Board on the selection of the statutory auditors must be based on a corresponding recommendation by the Audit Committee. Once the Annual General Meeting has appointed the statutory auditors, and the Supervisory Board has issued the audit assignment, the Audit Committee shall work with the statutory auditors to specify the scope of the audit and the audit areas of focus. The statutory auditors shall attend the meeting to review the annual financial statements, the consolidated financial statements as well as the consolidated interim report and shall report on the key findings of their audit. They shall also inform the Committee about other services they have provided in addition to auditing services and shall confirm their independence. Each month, the Audit Committee shall receive financial data on the PUMA Group, which will allow the tracking of developments in net assets, financial position, results of operations and the order books on a continual basis. The Audit Committee shall also deal with issues relating to the balance sheet and income statement and shall discuss these with the Management Board. In addition, when the internal audit projects are completed, the Audit Committee shall receive the audit reports, which must also include any actions taken. The members of the Audit Committee are Thore Ohlsson (Chair, expertise in the field of accounting/auditing), Héloïse Temple-Boyer (expertise in the field of accounting/auditing) and Bernd Illig.

The Nominating Committee has three members, who are representatives of the shareholders on the Supervisory Board. The Nominating Committee proposes suitable shareholder candidates to the Supervisory Board for its voting recommendations to the Annual General Meeting. The members of the Nominating Committee are Jean-François Palus (Chair), Héloïse Temple-Boyer and Fiona May.

The Sustainability Committee consists of three members. It was established in April 2021 and meets once a year. In its area of responsibility, the Sustainability Committee advises and monitors the sustainability strategy of the Management Board. The members of the Sustainability Committee are Fiona May (Chair), Héloïse Temple-Boyer and Martin Köppel.

The current composition of the committees can further be found in Appendix 2 of the Notes to the Consolidated Financial Statements.

DIVERSITY CONCEPT FOR THE SUPERVISORY BOARD

A) OBJECTIVES FOR THE COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board of PUMA SE is composed in such a way that its members as a group possess the appropriate knowledge, skills and professional experience necessary for the proper performance of their duties. The composition of the Supervisory Board is primarily determined by appropriate qualification, taking into account diversity and the appropriate involvement of women. Based on Section C.1 of the Code 2020, the Supervisory Board has set targets for its composition that have been fulfilled. In detail:

- The members of the Supervisory Board as a group have the experience and knowledge in the field of management and/or monitoring market-oriented companies as well as in the business segments and sales markets of PUMA. Details of this are presented under lit. B) of this chapter.
- A sufficient number of members have strong international backgrounds. This target has been clearly surpassed simply because of the international origins of Jean-François Palus, Héloïse Temple-Boyer, Thore Ohlsson and Fiona May.
  The Supervisory Board has an appropriate number of independent members. With Jean-François Palus, Héloïse Temple-Boyer, Thore Ohlsson and Fiona May four out of six members of the Supervisory Board are considered independent.

The Code 2020 does not contain a conclusive definition of independence regarding the shareholder representatives in the supervisory board, but rather lists examples of circumstances that may indicate a lack of independence. It is the task of the supervisory board to assess the independence of the members of the supervisory board on the basis of these indications and evaluate whether a member has a personal or business relationship with the Company or its management board that may cause a substantial – and not merely temporary – conflict of interest. Against this backdrop, PUMA's Supervisory Board believes that there are currently no specific indications of relevant circumstances or relationships for any member of the Supervisory Board that could constitute a material and not merely temporary conflict of interest and that would therefore interfere with their independence.
With regard to Supervisory Board members Jean-François Palus and Héloïse Temple-Boyer, the Supervisory Board is of the opinion that their functions as Directeur Général Délégué of Artémis S.A.S. do not impair their independence within the meaning of the Code 2020. Artémis S.A.S. is not a controlling shareholder, as Artémis S.A.S. is neither a majority shareholder nor does it have a de facto majority at the Annual General Meeting.
With regard to the members of the Supervisory Board Mr. Jean-François Palus and Mr. Thore Ohlsson, the Supervisory Board believes that the length of their tenure as members of the Supervisory Board, which each exceeds 12 years, does not interfere with their independence within the meaning of the Code 2020 as it does not give rise to a material conflict of interest. This is due to the fact that Mr. Palus and Mr. Ohlsson currently hold positions in the management and supervisory boards of several other companies. They both have demonstrated a high level of professionalism during their long experience in the management of various companies and the Supervisory Board believes that both would avoid any circumstances that may give rise to conflict of interest. There are no other indications of a conflict of interest in Mr. Palus' and Mr. Ohlsson's person.
Jean-François Palus as the Chair of the Supervisory Board, Thore Ohlsson as the Chair of the Audit Committee and Jean-François Palus as the Chair of the Personnel Committee are all considered independent from the Management Board, the Company and a controlling shareholder. No former member of the Management Board is member of the Supervisory Board.

- Thore Ohlsson, the Chair of the Audit Committee has specific knowledge and experience in applying accounting principles and internal control procedures, is familiar with audits and is independent. Jean-François Palus and Héloïse Temple-Boyer also bring this specific knowledge with them.
- The members have sufficient time to perform his/her mandate in the Supervisory Board. Prior to each election proposal, the Supervisory Board examines whether the candidates concerned are able to complete the time required for the office.
- The Supervisory Board prevents potential significant and not only temporary conflicts of interest of its members by regularly monitoring and critically scrutinizing its members' other activities. There were no indications of actual conflicts of interest in the 2021 financial year. If a conflict of interest would occur each member of the Supervisory Board informs the Chair of the Supervisory Board without undue delay.
- According to Section 1(4) of the Rules of Procedure for the Supervisory Board, Supervisory Board members may, in principle, not be over 70 years of age and their maximum term of office may not exceed three terms. In setting this age limit, the Supervisory Board deliberately decided against a rigid maximum age limit and in favor of a flexible rule limit that provides the necessary leeway for an appropriate assessment of the circumstances of the individual case, sufficiently broadly defines the circle of potential candidates and also allows re-election. Thore Ohlsson has reached the statutory age limit. After careful consideration, he was nevertheless proposed by the Supervisory Board for re-election in 2018 in order to ensure the necessary continuity after the spin-off from Kering S.A. in the best interests of the Company. All other Supervisory Board members did not reach the standard age limit at the time of their election.

B) PROFILE OF SKILLS AND EXPERTISE

The Supervisory Board has determined a competence profile for the entire Board. It stipulates that the members of the Supervisory Board as a whole must cover the following professional competencies:

- Managing of large or mid-sized international companies (Jean-François Palus, Héloïse Temple-Boyer, Thore Ohlsson)
- Leadership experience in the sporting or luxury goods industry (Jean-François Palus, Héloïse Temple Boyer, Thore Ohlsson, Fiona May)
- International corporate background (Jean-François Palus, Héloïse Temple-Boyer, Thore Ohlsson, Fiona May)
- Leadership experience with various distribution channels, including e-commerce (Jean-François Palus, Thore Ohlsson)
- Expertise in building strong international brands (Jean-François Palus, Héloïse Temple-Boyer, Thore Ohlsson, Fiona May)
- Marketing, sales and digital know-how (Jean-François Palus, Héloïse Temple-Boyer, Thore Ohlsson)
- Financial expertise (accounting, treasury, risk management, corporate governance) (Jean-François Palus, Thore Ohlsson, Héloïse Temple-Boyer)
- Expertise in serving on the Administrative or Supervisory boards of publicly listed companies (Jean-François Palus, Heloise Temple-Boyer)
- Experience with mergers & acquisitions (Jean-François Palus, Thore Ohlsson)
- Understanding of the industrial constitution law and advocating the interests of the employees (Martin Koeppel, Bernd Illig)
- HR expertise (Jean-François Palus)
- IT expertise (Bernd Illig).

The Supervisory Board of PUMA SE is currently composed in such a way that it has the competence profile as an overall body.

C) COMMITMENTS TO PROMOTE THE PARTICIPATION OF WOMEN IN MANAGEMENT POSITIONS IN ACCORDANCE WITH ART. 9(1)C(II) OF THE SE REGULATION (SE-VO) IN CONNECTION WITH SECTION 76(4), SECTION 111(5) AKTG

The Supervisory Board shall define a target figure for the proportion of women on the Supervisory Board and the Management Board. The Management Board, for its part, shall set target figures for the proportion of women in the two management levels below the Management Board.

<u>Target figures 2017</u>

In 2017, the Supervisory Board of PUMA SE had set a target figure of 30% for the proportion of women on the Supervisory Board to be achieved by October 31, 2021. This target figure was achieved as of this date.

For the Management Board, the Supervisory Board had set a target in 2017 for the proportion of women of 20%, provided that PUMA SE has five or more Management Board members; the target to be achieved by October 31, 2021. This target figure was achieved as of this date.

In 2017, the Management Board had set a target figure of 25% for PUMA SE and 30% at Group level for the proportion of women at the first management level below the Management Board, the targets to be achieved by October 31, 2021. These targets were not achieved. The management team at the first management level below the Management Board has remained fairly stable in recent years and no significant new positions have been created at this level. However, due to the strong development at the second management level below the Management Board, the Management Board is very confident that the new target figure for the first management level will be achieved naturally as part of internal succession appointments.

For the second management level below the Management Board, the proportion of women was to increase to 30% for PUMA SE and to 40% at Group level by October 31, 2021. These targets were achieved.

Target figures 2021

The Supervisory Board of PUMA SE has set a target figure of at least 2 women (33%) for the proportion of women on the Supervisory Board to be achieved by October 31, 2026.

For the Management Board, the Supervisory Board has set a target for the proportion of women

- of at least 1 woman (25%), provided that PUMA SE has four Management Board members;
- of at least 1 woman (20%), provided that PUMA SE has five Management Board members;
- of at least 2 women (33%), provided that PUMA SE has six Management Board members.

The implementation period for this target is October 31, 2026.

For PUMA SE, the Management Board has set a target of 30% for the first management level below the Management Board and 35% for the second management level below the Management Board. At Group level, the proportion of women is to amount to 30% for the first management level below the Management Board and to 40% for the second management level. The implementation deadline here, too, is October 31, 2026.

DIVERSITY CONCEPT FOR THE MANAGEMENT BOARD

The Supervisory Board and the Management Board promote an agile, open corporate culture in which the advantages of diversity are consciously utilized, and everyone can freely unfold their potential for the best of the Company. PUMA strives to fill Management Board positions and senior management positions primarily with people developed within the Company.

The Supervisory Board's decision regarding a particular appointment to the Management Board is always taken in consideration of the Company's best interests based on the professional and personal suitability of the candidate. It must be ensured that the members of the Management Board as a whole have the knowledge, skills and experience required for the best possible fulfillment of the tasks of a member of the Management Board of a sporting goods manufacturer such as PUMA. It is not necessary for every member of the Management Board to reflect the technical requirements laid out in the following. The diversity concept for the Management Board therefore stipulates that gender, internationality, age, educational background and experience must be taken into account in its composition:

- Gender

Until October 31, 2026, PUMA aims to have 25% women on the Management Board, provided that the Board has four Management Board members; 20% women on the Management Board, provided that the Board has five Management Board members; and 33% women on the Management Board, provided that the Board has six Management Board members. In order to achieve this goal, the Supervisory Board ensures that an appropriate proportion of female candidates are included on the succession lists within the framework of the internal global management structure for the development of junior staff for the Management Board. In the future, the participation of women in the Management Board is to be guaranteed in the event of a necessary replacement, in particular by giving special consideration to women in various equally qualified candidates. Insofar as external candidates are to be appointed, suitably qualified female candidates shall be considered in particular. The same applies to the filling of management functions. In order to involve women even more in management functions in the future, PUMA promotes the compatibility of family and career, for example through part-time and half-day models as well as flexible working hours and the provision of childcare places. With Anne-Laure Descours a woman is represented on the Management Board. The proportion of women on the Management Board is therefore currently 25%.

- Internationality

PUMA is a globally operating company. An appropriate number of board members must therefore have international experience either due to their origin or due to their many years of professional experience abroad. Notwithstanding the several years of international experience of all board members, this goal has been exceeded simply because of the international origins of Bjørn Gulden and Anne-Laure Descours.

- Age

The Supervisory Board ensures a balanced age structure in the Management Board. This is important to ensure the continuity of the Management Board's work and to facilitate smooth succession planning. In principle, members of the Management Board may not be older than 70 years. All members of the Management Board are below the standard age limit.

- Training and experience background

With regard to the educational and professional background, the selection of Management Board members should be based on the competencies required in the PUMA Management Board in general as well as for the respective Management Board with regard to corporate management, strategy development, finance and accounting, supply chain, sales and People & Organization. The same criteria apply here as were developed for the competence profile of the Supervisory Board. These competencies do not have to be acquired as part of university studies or other educational training, but may also have been acquired in other ways within or outside PUMA. The members of the board have all the above-mentioned competences.

The current composition of the Management Board implements the diversity concept.

RISK AND OPPORTUNITY REPORT

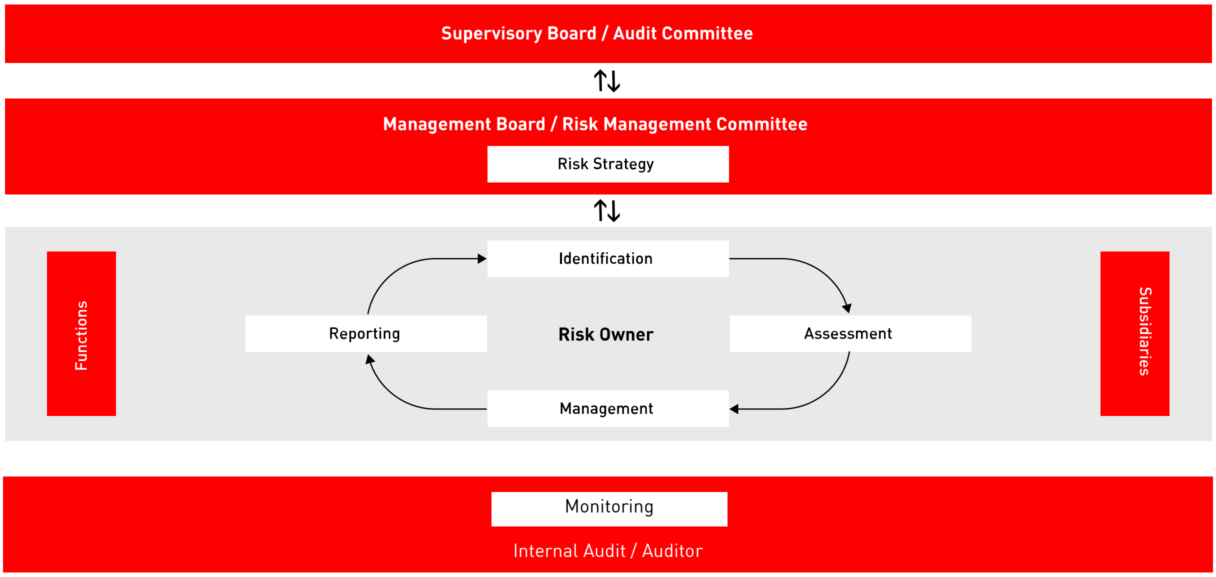
PUMA is continuously exposed to opportunities and risks in the competitive, fast-paced and international sport and lifestyle industry. The risk strategy is therefore to take business risks in a calculated manner in order to implement the corporate strategy with all its opportunities. For this purpose,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

RISK MANAGEMENT SYSTEM

PUMA takes a conscious and controlled approach to risks in order to achieve the company's goals. The aim of the risk management system is to identify and manage at an early stage material risks or risks that could even jeopardize the company's existence and thus support the achievement of the company's objectives. In addition, compliance with the related laws, regulations and standards must be ensured, as well as transparency in relation to the risk situation from the perspective of partners such as customers, suppliers and investors. Therefore, PUMA has established an appropriate risk management organization which is able to identify risks at an early stage and manage them in accordance with the corporate strategy and promote risk awareness within the PUMA Group to facilitate risk-based decisions. PUMA's risk management system is based on a comprehensive, interactive and management-oriented approach to risk that is integrated into the company's organization and is based on the globally recognized COSO standard (Committee of Sponsoring Organizations of the Treadway Commission). Opportunity management is not part of the risk management system and is the responsibility of operational management teams.

The Management Board of PUMA SE bears overall responsibility for the risk management system. The Management Board regularly updates the Audit Committee of the Supervisory Board of PUMA SE. The Risk Management Committee, which consists of the PUMA SE Management Board and selected managers, is responsible for the design, review and adaptation of the risk management system. For the operational coordination of the risk management process and support of the risk officers, the risk management function of the Group Internal Audit, Risk Management & Internal Control department has been assigned to prepare the regular risk reporting to the Risk Management Committee. The responsibilities, tasks and processes of the risk management system are defined in guidelines. The structure and design of the risk management system are as follows:

↗ G.18 RISK MANAGEMENT SYSTEM

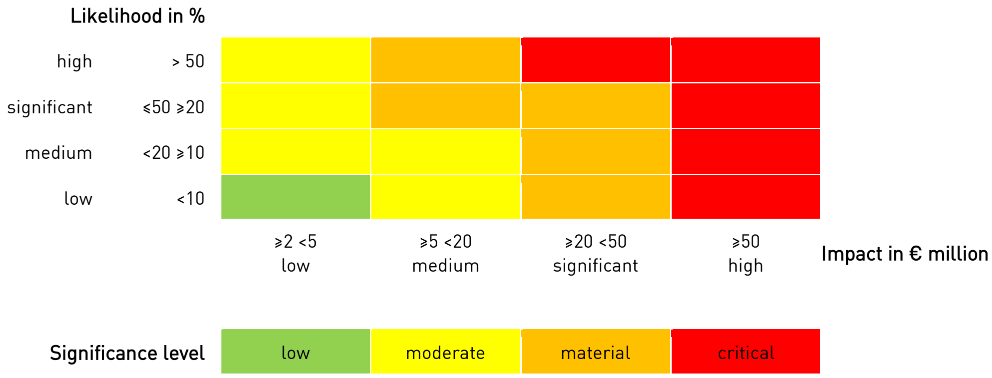


The risk owners are mainly the managers of the functional areas and the managing directors of the subsidiaries. Risks are identified company-wide by performing a bottom-up analysis within the risk owner's area of responsibility. These risks are regularly reported to the risk management function and/or the local monitoring bodies in structured interviews that take place every six months or during the year using established internal reporting channels.

The risks are evaluated and assessed in terms of probability of occurrence and extent of damage using quantitative criteria with the help of a systematic methodology. The quantitative criteria are represented in the form of risk classification ranges on a four-level scale. While the risk assessment of the probability of occurrence is measured as a percentage rate, the extent of damage is based on the planned operating income. We follow a net risk approach, addressing the risks that remain after existing control measures have been implemented. The resulting risk assessments are presented as an aggregated risk group. Thus, for the materiality assessment, the quantified risks are combined from their extent of damage and probability of occurrence and are classified in a comprehensive risk matrix with regard to their significance level (see graphic G.19), for internal monitoring.

For example, a risk can be allocated within the most critical range in case its assessment reflects a combination of highest bandwidth for extent of damage and probability. The overview of the risk groups is presented in table T.7, summarized in the order of their relative importance and their change during the year.

↗ G.19 RISK MATRIX



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

The risk owners are responsible for the operational management of identified risks. Risks can be managed by avoiding, reducing, diversifying or transferring the risk in order to achieve the targeted and acceptable residual risk. Within the reporting process, material or even existence-threatening risks are coordinated and managed with the Risk Management Committee or the Management Board.

The methodology and structure of the risk management system are continuously assessed in terms of their effectiveness, and adapted or improved when required. This is done, on the one hand, by the Internal Audit department acting as an independent review body within the PUMA Group and, on the other hand, by the PUMA SE statutory auditor, who annually assesses the early risk detection system in terms of its fundamental suitability to detect existence-threatening risks at an early stage, and the operating effectiveness of the early risk detection and monitoring system in accordance with Section 317 (4) HGB. The auditor also verifies if an early risk detection system, in line with Section 91 (2) AktG, is in place.

RISKS

The following explanations of risk groups are presented based on their relative importance.

PANDEMIC (COVID-19)

PUMA first identified the COVID-19 pandemic as a new risk in the financial year 2020 and accordingly established the risk category "pandemic (COVID-19)". This risk was considered to be the most significant business risk for the PUMA Group. The impact of this pandemic (COVID-19) continued to be assessed as a significant business risk in the financial year 2021. This risk relates to the macroeconomic and social impacts of the pandemic, caused for example by lockdowns, government-ordered closures of administrative buildings, production sites and retail stores, restrictions on store opening hours, a reduction in store traffic, travel restrictions and social distancing measures, the cancelation or postponement of major sporting events, and the exclusion or limitation in the numbers of spectators. These consequences have led or may in the future lead to declines in revenue and challenges in maintaining business operations. Furthermore, we are faced with new requirements, regulations and further measures in relation to the health and safety of our employees and customers. The pandemic (COVID-19) has also had a negative impact on existing sourcing and supply chain risks, and implications on the probability of default risks from receivables.

In the previous financial year, the pandemic (COVID-19) developed rapidly and dynamically, specifically in light of the rise of new virus variants, and the extent and duration of the resulting impact on our business was and remains extremely difficult to predict. However, on the basis of the progress made in the vaccination campaign, we assume that the situation created by the COVID-19 pandemic will not be long term. We are constantly reviewing information from the World Health Organization (WHO), the centers for disease control and prevention at our respective locations, the Robert Koch Institute (RKI) in Germany and other institutions to identify epidemic or pandemic risks at an early stage and to establish and initiate appropriate defense and protective measures as early as possible.

Despite the ongoing challenges and uncertainties resulting from the pandemic (COVID-19), we are continuing to pursue the objective of surviving the crisis without hindering PUMA's mid-term growth. Our approach is local, as different markets are going through these phases at different times. Our main focus is on the health and safety of our employees and customers, safeguarding the liquidity of the PUMA Group by securing credit lines, maintaining close and reliable cooperation with our partners, suppliers and customers, strengthening and expanding the supply chain, digitalizing key business processes and further strengthening our e-commerce business. To that end, we strengthened the partnership with our suppliers by continuing to cancel only a very small proportion of orders and agreeing to extended payment terms in return, in particular during the temporary closure of production sites mandated by government requirements.

SOURCING AND SUPPLY CHAIN BUSINESS PARTNERS

The majority of PUMA products are produced in selected Asian countries, in particular in Vietnam, China, Bangladesh, Cambodia, Indonesia and India. In addition to the aforementioned challenges resulting from the pandemic (COVID-19), production in these countries continues to be associated with significant risks for us. These risks arise, for example, from changes in sourcing, wage and logistic costs, supply bottlenecks for raw materials or components, and quality issues, as well as from the possibility of overdependence on individual suppliers.

The portfolio is regularly reviewed and adjusted to avoid creating a dependence on individual suppliers and sourcing markets. Generally, long-term master framework agreements are agreed upon to secure the required production capacities for the future. A quality control process and the direct and partnership-like collaboration with suppliers should permanently secure the quality and availability of our products.

Sourcing and the supply chain must also react to risks, such as changes in duties and tariffs as well as trade restrictions and government requirements. The transport of products to the distribution countries is also exposed to the risk of delays and failures by warehouse and logistics service providers.

We therefore continuously analyze political, economic and legal framework conditions and have further enhanced our close cooperation with our logistics partners in order to be able to react to changes in the supply chain early on and to continuously strengthen the supply chain. The collaboration with warehouse and logistics service providers is accordingly secured by selection processes, consistent contractual terms and permanent monitoring of relevant indicators.

In the financial year 2021, the pandemic (COVID-19) caused disruptions and delays in sourcing and supply chain operations, leading to an increase in individual risks. To counter this risk, we have intensified our cooperation with suppliers and logistics partners in order to be able to react to the circumstances in a flexible and solution-oriented manner.

MACROECONOMIC DEVELOPMENTS

As an internationally operating group, PUMA is exposed to global macroeconomic developments and the associated risks having an impact on our sales and sourcing markets. For example, economic developments in important sales markets may have an effect on consumer behavior. This can have positive or negative effects on the planned sales and consolidated net earnings. Likewise, political changes, social developments and environmental events (such as natural disasters) can also be reflected in changes in legal and macroeconomic conditions.

Overall, we manage these challenges with geographic diversification and the development of alternative scenarios for the possible occurrence of serious events. This applies in particular to political developments and possible changes in legal framework conditions, which are continuously monitored by PUMA and incorporated into appropriate measures.

PRODUCT AND MARKET ENVIRONMENT

The risk posed by market-specific product influences, in particular the risk of substitutability in the highly competitive sport and lifestyle market, is countered by the early recognition and taking advantage of relevant consumer trends. Only those companies that identify these trends at an early stage will be able to gain an edge over their competitors. Brand image and brand desirability are of key importance for us, as consumer behavior can have a negative effect on the brand as well as a positive one. Accordingly, we have set the guiding principle that "We want to become the fastest sports brand in the world" in order to underline the company's long-term direction and strategy. The "Forever Faster" brand promise does not just stand for PUMA's product range as a sports and lifestyle company, but also applies to all company processes.

Media reports about PUMA also play a key role in brand image. For example, reports about the infringement of laws or internal/external requirements, product recalls and exposure on social media as well as reports about workforce diversity and tolerance can cause significant damage to brand image and ultimately result in the loss of sales and profit.

Targeted investments in product design and product development are to ensure that the characteristic PUMA design of the entire product range is consistent with the overall brand strategy ("Forever Faster"), thereby creating a unique level of brand recognition.

Brand image is particularly strengthened through cooperation with brand ambassadors who embody the core of the brand and PUMA's brand values ("brave," "confident," "determined" and "joyful") and have a large potential for influencing PUMA's target group. We additionally counter this risk through careful press, social media and public relations work as well as by monitoring the press and social media environment. This is managed from the Group headquarters in Herzogenaurach, Germany, and the subsidiary in the U.S.

Furthermore, PUMA continuously seeks an open dialog with key external stakeholders, such as suppliers, NGOs and industry initiatives, and has institutionalized this as part of regularly held "Sustainability Stakeholder Meetings."

PROJECTS

The organizational structure of PUMA, with its group headquarters in Herzogenaurach, having a central sourcing organization and globally positioned distribution companies, underlines the group’s global orientation. This results in a risk for us that the flow of goods and information are not sufficiently supported by modern warehouse, logistics and IT infrastructure. For this reason, existing business processes must be continually optimized and aligned with business needs. This is carried out systematically through targeted optimization projects, which are planned and managed centrally by the specialized departments.

INFORMATION TECHNOLOGY

The ongoing digitalization of the business environment exposes PUMA to risks in information technology. Key business procedures and processes have the potential to be significantly disrupted by the failure of IT systems and networks, and external attacks (cyberattacks) or incorrect conduct may result in the loss of confidential and sensitive data as well as high costs, loss of revenue and reputational damage.

To mitigate these risks, we continuously carry out technical and organizational measures and invest in the renewal and security of our IT landscape. IT systems are regularly checked, maintained and undergo security tests. In addition, all employees are continuously sensitized using guidelines and performing training courses and information campaigns.

DISTRIBUTION STRUCTURE

PUMA utilizes various distribution channels, such as the traditional wholesale business with our retail partners and the PUMA-owned and operated retail and e-commerce business to reduce its dependency on individual distribution channels. The wholesale business is defined by strong partnerships and represents the largest revenue share overall. The company's own retail and e-commerce business is intended to ensure a higher gross profit margin, better control on distribution and presentation of PUMA products exclusively in the desired brand environment.

In the wholesale business, growing retailers, including those offering their own brands, and competitors pose the risk of intensified competition for consumers and market shares. Consumer purchase behavior is also changing, focusing more on e-commerce and a combination of stationary and digital trade. This requires continuous adjustment of the distribution structure. Distribution through the company's own retail stores and e-commerce channels is, however, also associated with various risks for us. These include the necessary investments in expansion and infrastructure, setting up and refurbishing stores, higher fixed costs and leases with long-term lease obligations. This can have an adverse impact on profitability in case of a business decline.

In order to avoid risks, we carry out permanent monitoring of distribution channels and regular reporting by the Controlling and specialized departments. A detailed location and profitability analysis is carried out in our distribution channels before making any investment decision. The company's reporting and controlling system allows us to detect negative trends early on, and to take the countermeasures required to manage individual stores. In e-commerce, global activities are harmonized and investments in the IT platform are made to further optimize purchase transaction settlement and further improve the shopping experience for consumers.

SUSTAINABILITY

Sustainability topics in in sourcing as well as amongst the entire value chain are highly important. Climate change and the resulting increase in customer requirements with regard to sustainability have led to a stronger ecological focus in our product range, both at our own locations and along the production and supply chain. A more efficient use of resources, reduction in greenhouse gas emissions and compliance with environmental standards as well as the increased use of sustainable materials and environmentally friendly chemicals in production are crucial parts of our sustainability strategy.

PUMA's sustainability report (the Non-financial Report) for the financial year 2021 will be available by April 30, 2022 at the latest on the following page of our website: https://about.PUMA.com/en/investor-relations/financial-reports. Furthermore, important sustainability information can always be found in the Sustainability section on PUMA's website: http://about.PUMA.com/en/sustainability

MONITORING OF WORKING CONDITIONS

An important aspect of corporate responsibility is maintaining and monitoring working conditions and human rights along the entire value chain. ILO (International Labor Organization) core labor standards form an essential part of this; however, monitoring our suppliers to ensure they do not use hazardous chemicals in production is just as important. Non-compliance by suppliers would also violate our requirements and lead to negative media reports and potentially to a loss of revenue.

Adherence to applicable standards is ensured through regular audits of supplier companies.

LEGAL RISKS

As an internationally operating group, PUMA is exposed to various legal risks. These include contractual risks or the risk that a third party could assert claims and litigation for infringement of its trademark rights, patent rights or other rights. Counterfeit products in particular can undermine consumer confidence in the brand and damage PUMA's brand image.

The continuous monitoring of contractual obligations and the integration of internal and external legal experts in contractual matters is to ensure that any legal risks are avoided. To fight brand piracy, the PUMA team responsible for the protection of intellectual property not only ensures that we have a strong global portfolio of property rights, such as brands, designs and patents, but also works closely with customs and police forces, and provides input regarding the implementation of effective legislation to protect intellectual property.

COMPLIANCE

PUMA is exposed to the risk that employees violate laws, directives and company standards (compliance violations). These risks, such as theft, fraud, breach of trust, embezzlement and corruption, as well as deliberate misrepresentations in financial reporting, may lead to significant monetary and reputational damage.

Therefore, we use various tools to manage these risks. This includes an integrated compliance management system, the internal control system, group controlling and the internal audit department. As part of the compliance management system, awareness measures are carried out regarding critical compliance topics, such as corruption prevention and cartel law, and corresponding guidelines and a global network of compliance officers are introduced in the group. PUMA employees also have access to a whistleblowing system for reporting unethical behavior.

TAX RISKS

In an international business environment, applicable tax regulations must be met. By means of appropriate internal rules of conduct, employees are required to comply with and adhere to the relevant tax regulations. In addition to compliance with national tax regulations to which the individual group companies are subject, there are increasing risks related to intra-group transfer pricing, which must be applied for various internal business transactions in accordance with the arm's length principle between individual group companies.

In all tax areas PUMA has taken adequate precautions with internal and external tax experts in order to comply with the relevant tax regulations, but also to be able to react to changes in the constantly changing tax environment. For the group-internal transfer prices a corresponding documentation exists, which was prepared according to international and national requirements and standards. There are guidelines and specifications for determining transfer prices for intra-group transactions that are customary for foreign companies, which comply with the applicable procedural rules and are binding for employees who act on behalf of the group. By means of internal tax reporting, external and internal tax experts are able to control and monitor tax developments at PUMA on an ongoing basis. Both, the Management Board and the Supervisory Board, are continuously informed about tax developments at PUMA in order to identify and avoid tax risks as early as possible.

PERSONNEL DEPARTMENT

The creative potential, commitment and performance of PUMA employees are important factors for successful business development. We encourage independent thinking and action, which are key in an open corporate culture with flat hierarchies.

Our human resources strategy seeks to ensure this successful philosophy on a long-term and sustainable basis. To achieve this goal, a control process is in place to detect and assess human-resource risks. Accordingly, special attention has been paid to talent management, identifying key positions and high-potential individuals, and optimizing talent placement and succession planning. We have also instituted additional national and global regulations and guidelines to ensure compliance with legal provisions and safeguard the health and safety of our employees. We will continue to make targeted investments in the human-resource needs of particular functions or regions in order to meet the future requirements of our corporate strategy.

CURRENCY RISKS

As an international company, PUMA is subject to currency risks resulting from the disparity between the respective amounts of currency used on the purchasing and sales sides and from exchange-rate fluctuations.

PUMA's biggest sourcing market is Asia, where most payments are settled in US dollars (USD), while sales of the PUMA Group are mostly invoiced in other currencies. PUMA manages currency risk in accordance with internal guidelines. Currency forward contracts are used to hedge existing and future financial liabilities in foreign currencies.

To hedge signed or pending contracts against currency risk, PUMA only concludes currency forward contracts on customary market terms with reputable international financial institutions. As of the end of 2021, the net requirements for the 2022 planning period were adequately hedged against currency effects.

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

In 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.

Currency sensitivity analysis are based on the following assumptions: Material original monetary financial instruments (cash and cash equivalents, receivables, interest-bearing and non-interest-bearing liabilities) are either denominated in the functional currency or are transferred into the functional currency using currency forward transactions.

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

LIQUIDITY AND INTEREST RATE RISKS

PUMA continually analyses short-term capital requirements by rolling cash flow planning at the level of the individual companies in coordination with the central Treasury department. In order to ensure the company's solvency, financial flexibility and a strategic liquidity buffer, PUMA maintains, for example, a liquidity reserve in the form of cash and confirmed credit facilities. In this respect, as of December 31, 2021, the PUMA Group had unused credit lines totaling € 942.0 million.

Medium and long-term funding requirements that cannot be directly covered by net cash from operating activities are financed by taking out medium and long-term loans. For this purpose, various promissory note loans were issued in several tranches with fixed and variable coupons and different remaining terms. The utilized promissory note loans amount to a total of € 380.0 million as of December 31, 2021 and have a remaining term of between one and five years.

Changes in interest rates do not have a significant impact on PUMA's interest rate sensitivity and therefore do not require the use of interest rate hedging instruments.

DEFAULT RISKS

Due to its business activities, PUMA is exposed to a default risk on receivables, which is managed by continuous monitoring of outstanding receivables and by recognizing impairment losses, where appropriate. The default risk is limited, if possible, by credit insurance. The maximum default risk is reflected by the carrying amounts of the financial assets recognized in the balance sheet. In addition, default risks also arise to a lesser extent from other contractual financial obligations of the counterparty, such as bank balances and derivative financial instruments.

RISK OVERVIEW TABLE

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

↗ T.7 OVERVIEW OF RISK GROUPS (Order according to relative importance)

Risk groups *	Classification	Description	Significance level	Change compared to previous year
Pandemic (COVID-19)	Strategic	e.g., store closures, supply problems, health of employees and customers	Critical	→
Business Partners	Operational	e.g., raw material bottlenecks, supply chain disruptions, sourcing and logistic costs, quality problems	Critical	↗ (pandemic)
Macroeconomic Developments	Strategic	e.g., economic development, political situation, legal framework conditions	Critical	↗
Product and Market Environment	Strategic	e.g., trends, customer requirements, brand image, media reports	Material	→
Projects	Strategic	e.g., IT infrastructure, construction projects	Material	→
Information Technology	Operational	e.g., cyberattacks, network and system failures	Material	→
Distribution Structure	Strategic	e.g., change in the distribution landscape	Material	→
Sustainability	Regulatory	e.g., climate change, environmental standards	Material	→
Working Conditions	Regulatory	e.g., labor law, human rights, German Supply Chain Due Diligence Act	Material	→
Legal	Regulatory	e.g., trademark law, patent law, counterfeit products	Material	→
Compliance	Regulatory	e.g., fraud, corruption	Material	→
Tax	Financial	e.g., transfer prices	Material	→
Personnel Department	Operational	e.g., key positions, employee retention, health & safety	Moderate	→
Currency	Financial	e.g., exchange rate fluctuations	Moderate	→
Liquidity and Interest Rate	Financial	e.g., cash, credit lines, custody fees, interest rate developments	Moderate	→
Default	Financial	e.g., payment claims against customers	Moderate	→

* Wording adjustments of individual risk groups compared to the previous year

OPPORTUNITIES

Opportunities should be identified by PUMA at an early stage, assessed and—where possible—used. Due to the close connection to the relevant goals, identified opportunities are incorporated into planning by Controlling. Operational management teams in the respective regions, markets and departments are responsible for opportunity management. PUMA has identified or rather defined the following key opportunity categories for the planning period and beyond.

In terms of macroeconomic conditions, the ongoing effects of the COVID-19 pandemic are currently seen as a strengthening factor for the sport and lifestyle sector. If PUMA succeeds in achieving its mid-term growth potential, the company has an opportunity to increase its market share. In times of increased remote working and indoor and team sports being limited, items such as running, fitness, golf and lounge products have become more relevant. Therefore, the product range in these areas is being expanded and further developed. In addition, due to advancing vaccination campaigns and easing restrictions, an increase in attendance at national sporting competitions and international sporting events, such as the Football World Cup in Qatar, could help support growth in the sporting goods industry.

In terms of the distribution structure, the COVID-19 pandemic has significantly accelerated the growth of the e-commerce business, particularly with regard to local market coverage. Stronger partnerships in the wholesale business also offer opportunities for future business development. New sales formats and improvements to the shopping experience in our own retail stores can also lead to positive business prospects. In this area, new and state-of-the-art multi-channel distribution centers in key markets will also support the further optimization of delivery capacity in the future.

In information technology, improved, tailored communication with customers via digital channels and new ways of presenting products, for example, offer opportunities. In addition, new or more efficient processes may add value or result in cost optimization. Here, the COVID-19 pandemic has also accelerated the digitalization of important business processes, for example with regard to product design and the purchasing process for our wholesale customers. It has also contributed to the further development of the IT environment.

With end customers paying more attention to sustainability, there is an opportunity to make further progress with existing PUMA activities and improve communication in this area, which could increase demand for sustainable products.

Furthermore, in the area of finance, for example, favorable exchange rate developments offer the opportunity to positively influence the group's financial results.

OVERALL ASSESSMENT OF THE RISK AND OPPORTUNITY SITUATION

The assessment of the overall risk situation of the Group and PUMA SE is the result of a consolidated view of the risk and opportunity categories described above. Similar to the description in our Annual Report 2020, our assessment of PUMA's overall risk situation this year is again predominantly influenced by the impact of the COVID 19 pandemic on the economy as a whole, as described above, and is focused on the major challenges this poses. The Management Board is currently not aware of any material risks that, either individually, on an aggregated basis or in combination with other risks, could jeopardize the continued existence of the Group and PUMA SE.

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

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

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

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

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

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

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

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

In addition to the measures described, the Group Internal Audit, Risk Management & Internal Control Department conducts annual Internal Control Self-Assessments (ICSA) for all essential business processes across the Group. In this way, the internal control system is expanded beyond the accounting process, in line with the framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), to support the objectives of ensuring proper financial reporting, improving the efficiency and effectiveness of the processes, and ensuring compliance with legal framework conditions. The use of a standardized software system (GRC tool) is intended to ensure the systematic and uniform implementation of ICSA across the entire company. Within the GRC tool, process owners evaluate the existing control framework based on internal and external guidelines and best-practice standards. The objective is to continuously improve the internal control system and to identify specific risks and potential for improvement in the control environment at process level in order to define appropriate recommendations for action and enable these to be implemented timely by the process owners. The results of the ICSA are reported to the Audit Committee and the statutory auditors and are used specifically by the Group Internal Audit, Risk Management & Internal Control Department in risk-oriented audit planning.

OUTLOOK REPORT

GLOBAL ECONOMY

In their winter forecast dated December 15, 2021, experts at the Kiel Institute for the World Economy (IfW Kiel) expect global gross domestic product (GDP) to increase by 4.5% in 2022, following growth of 5.7% in 2021. This development is based on the assumption that the recovery of the global economy will be temporarily dampened by the COVID-19 pandemic and persistent supply bottlenecks. However, the experts at IfW Kiel also expect the influence of these negative effects to diminish in 2022 and to be gradually overcome. There is significant uncertainty about the impact of the new Omicron variant on the economy. However, the economic impact is likely to diminish over time, as either vaccination rates are high or a significant proportion of the population has already come into contact with the virus, thus limiting the health impact. The supply bottlenecks have proven to be an increasingly strong burdening factor in recent months, but should gradually be overcome in the course of 2022 with the increasing adjustment of production capacities and value chains.

SPORTING GOODS INDUSTRY

Provided that the continued course of the COVID-19 pandemic does not result in a renewed significant negative impact on the macroeconomic conditions, we expect the sporting goods industry to grow in 2022. We expect demand for sporting goods to increase in 2022 as the trend toward increased sports activities and healthier lifestyles continues and becomes even more significant as a result of the COVID-19 pandemic. This applies equally to the increasing popularity of athletic footwear and leisure/athletic apparel as an integral part of everyday fashion ("athleisure"). We also assume that major sporting events in 2022, such as the Olympic Winter Games in Beijing and the World Cup in Qatar, will help to support growth in the sporting goods industry.

OUTLOOK 2022

In the financial year 2021, PUMA recorded a very strong sales and operating result (EBIT) growth due to a positive general development in our sector, a continued brand momentum of PUMA and strong global demand for our products as well as our focus on operational flexibility. Both, sales and operating result (EBIT) are the highest PUMA has ever achieved in its history.

Despite the very strong growth in 2021, we continue to face a high degree of uncertainty in our global business environment. The year 2022 has started with an all-time high of COVID-19 cases and consequently, several governments have implemented regional or country-wide restrictions which affect our entire value chain from manufacturing to retail store operations. Political tensions in key markets as well as supply chain constraints due to container shortages and port congestion are also unfortunately continuing in the new year.

Despite the uncertainties lasting into 2022, we expect a strong currency-adjusted sales growth of at least ten percent in the financial year 2022. We anticipate our operating result (EBIT) to be in a range of € 600 million and € 700 million (2021: € 557 million) and net earnings to improve correspondingly. The development of our gross profit margin and our OPEX-ratio in 2022 will continue to depend highly on the degree and duration of the negative impact of the COVID-19 pandemic on our sales. While we will continue to focus on our growth momentum by servicing our retail partners and consumers in the best possible way, we expect inflationary pressure from higher freight rates and raw material prices, in addition to the operating inefficiencies due to COVID-19, to have a dilutive effect on our profitability in 2022.

The achievement of this outlook is subject to continued manufacturing operations in our key sourcing countries in Asia and no major business interruptions due to COVID-19. In line with the previous years, PUMA will continue to maneuver through these challenges by building on its brand momentum, strong partnerships with suppliers and retailers as well as operational flexibility. The strong and profitable growth in the financial year 2021, an exciting product line up as well as very good feedback from retailers and consumers make us confident for the mid-term success and growth of PUMA.

INVESTMENTS

Investments in fixed assets of around € 220 million are planned for 2022. The majority of these investments will be in infrastructure in order to create the operating conditions required for the planned long-term growth. The investments mainly concern own distribution and logistics centers and further investments in the expansion and modernization of the Group's own retail stores.

FOUNDATION FOR LONG-TERM GROWTH

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

Herzogenaurach, February 1, 2022

The Management Board

Gulden Descours Freundt Hinterseher

CONSOLIDATED FINANCIAL STATEMENTS

PUMA SE

for the financial year 2021

- International Financial Reporting Standards –

IFRS

CONSOLIDATED FINANCIAL STATEMENTS

↗ T.01 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	12/31/2021 € million	12/31/2020 € million
ASSETS			
Cash and cash equivalents	3	757.5	655.9
Inventories	4	1,492.2	1,138.0
Trade receivables	5	848.0	621.0
Income tax receivables	22	37.8	21.3
Other current financial assets	6	153.4	52.9
Other current assets	7	200.9	124.1
Current assets		**3,489.8**	**2,613.0**
Deferred tax assets	8	279.9	277.5
Property, plant and equipment	9	472.4	406.9
Right-of-use assets	10	940.5	877.6
Intangible assets	11	471.9	443.5
Other non-current financial assets	12	64.4	58.8
Other non-current assets	12	9.1	6.8
Non-current assets		**2,238.4**	**2,071.0**
Total assets		**5,728.3**	**4,684.1**

	Notes	12/31/2021 € million	12/31/2020 € million
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current financial liabilities	13	68.5	121.4
Trade payables	13	1,176.4	941.5
Income taxes	22	85.7	89.2
Current lease liabilities	10	172.3	156.5
Other current provisions	16	47.9	35.3
Other current financial liabilities	13	64.4	151.1
Other current liabilities	13	549.0	377.8
Current liabilities		**2,164.5**	**1,872.8**
Non-current lease liabilities	10	851.0	775.2
Deferred tax liabilities	8	48.8	40.6
Pension provisions	15	31.9	38.2
Other non-current provisions	16	37.9	38.9
Other non-current financial liabilities	13	314.1	153.7
Other non-current liabilities	13	1.5	0.7
Non-current liabilities		**1,285.3**	**1,047.4**
Subscribed capital	17	150.8	150.8
Capital reserve	17	86.4	84.8
Other reserves	17	2,002.9	1,514.2
Treasury stock	17	-26.9	-27.4
Equity attributable to the shareholders of the parent		2,213.3	1,722.4
Non-controlling interests	17, 29	65.2	41.5
Shareholders' equity		**2,278.5**	**1,763.9**
Total liabilities and shareholders' equity		**5,728.3**	**4,684.1**

↗ T.02 CONSOLIDATED INCOME STATEMENT

		2021	2020
	Notes	**€ million**	€ million
Sales	19, 25	**6,805.4**	**5,234.4**
Cost of sales	25	-3,547.6	-2,776.4
Gross profit	25	**3,257.8**	**2,458.0**
Royalty and commission income		23.9	16.1
Other operating income and expenses	20	-2,724.6	-2,264.9
thereof impairment losses on trade receivables and other financial assets	5	*0.2*	*-30.7*
Operating result (EBIT)		**557.1**	**209.2**
Financial income	21	29.9	35.4
Financial expenses	21	-81.7	-82.3
Financial result		**-51.8**	**-46.8**
Earnings before taxes (EBT)		**505.3**	**162.3**
Taxes on income	22	-128.5	-39.2
Consolidated net earnings for the year		**376.8**	**123.1**
attributable to:			
Non-controlling interests	17, 29	67.2	44.2
Equity holders of the parent (net earnings)		**309.6**	**78.9**
Earnings per share (€)	23	2.07	0.53
Earnings per share (€) – diluted	23	2.07	0.53
Weighted average shares outstanding (million)	23	149.59	149.56
Weighted average shares outstanding, diluted (million)	23	149.59	149.56

↗ T.03 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2021	2020
	€ million	€ million
Consolidated net earnings before attribution	**376.8**	**123.1**
Currency changes	43.8	-138.9
Cash flow hedge		
Release to the income statement, net after tax	85.8	8.1
Market value for cashflow hedges, net after tax	79.8	-87.7
Items expected to be reclassified to the income statement in the future	**209.4**	**-218.5**
Remeasurements of the net defined benefit liability, net after tax	4.2	-3.3
Neutral effects financial assets through other comprehensive income (FVTOCI), net after tax	-6.2	-14.7
Items not expected to be reclassified to the income statement in the future	**-2.0**	**-18.0**
Other result	**207.4**	**-236.5**
Comprehensive income	**584.1**	**-113.4**
attributable to: Non-controlling interests	71.5	40.4
Equity holders of the parent	512.6	-153.8

↗ T.04 CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2021 € million	2020 € million
Operating activities			
Earnings before taxes (EBT)		505.3	162.3
Adjustments for:			
Depreciation and impairment	9, 10, 11	305.8	293.8
Non-realized currency gains/losses, net		-29.6	26.3
Financial income	21	-29.9	-35.4
Financial expenses	21	72.6	78.4
Changes from the sale of fixed assets		5.1	2.4
Changes to pension provisions	15	-3.7	-1.0
Other non-cash effected expenses/income		-4.5	-4.0
Gross cash flow	26	**821.2**	**522.8**
Changes in receivables and other current assets	5, 6, 7	-283.2	-50.0
Changes in inventories	4	-304.3	-109.7
Changes in trade payables and other current liabilities	13	373.2	147.7
Net cash from operational business activities		**606.9**	**510.8**
Income taxes paid	22	-146.9	-89.3
Net cash from operating activities	26	**460.1**	**421.5**

	Notes	2021 € million	2020 € million
Investing activities			
Purchase of property and equipment	9, 11	-202.4	-151.0
Proceeds from sale of property and equipment		18.3	1.6
Payment for other assets	12	-11.6	-4.5
Interest received	21	11.9	8.4
Net cash used in investing activities		**-183.8**	**-145.5**
Financing activities			
Repayment of lease liabilities	10	-160.9	-135.0
Repayment of current financial liabilities	13	-53.4	0.0
Raising of current financial liabilities	13	0.0	112.5
Repayment of non-current financial liabilities	13	-68.5	-18.3
Raising of non-current financial liabilities	13	235.0	0.0
Dividend payments to equity holders of the parent	17	-23.9	0.0
Dividend payments to non-controlling interests	17, 29	-47.8	-45.6
Interest paid	21	-44.4	-43.0
Net Cash used in financing activities	26	**-164.0**	**-129.2**
Exchange rate-related changes in cash and cash equivalents		-10.5	-8.9
Change in cash and cash equivalents		**101.7**	**137.8**
Cash and cash equivalents at beginning of the financial year		655.9	518.1
Cash and cash equivalents at end of the financial year	3, 26	**757.5**	**655.9**

↗ 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**	**Equity before non-controlling interests**	**Non-controlling interests**	**TOTAL equity**
12/31/2019	**150.8**	**83.0**	**1,900.9**	**-224.2**	**-8.8**	**-28.1**	**1,873.6**	**46.7**	**1,920.3**
Consolidated net earnings of the year			78.9				**78.9**	44.2	123.1
Net income directly recognized in equity			-18.0	-135.9	-78.8		**-232.7**	-3.9	-236.5
Total comprehensive income			**60.9**	**-135.9**	**-78.8**		**-153.8**	**40.4**	**-113.4**
Dividends paid to equity holders of the parent company / non-controlling interests							**0.0**	-45.6	-45.6
Utilization / Issue of treasury stock		1.8				0.8	**2.5**		2.5
12/31/2020	**150.8**	**84.8**	**1,961.8**	**-360.0**	**-87.6**	**-27.4**	**1,722.4**	**41.5**	**1,763.9**

	Subscribed capital	Capital reserve	Other reserves: Revenue reserves incl. Retained Earnings	Other reserves: Difference from currency conversion	Other reserves: Cash flow hedges	Treasury stock	Equity before non-controlling interests	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
Net income directly recognized in equity			-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 equity holders of the parent company / non-controlling interests			-23.9				**-23.9**	-47.8	-71.8
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**

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, 2021, 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 16	COVID-19 related Rent Concessions after June 30, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform (Phase 2)
Amendments to IFRS 4	Extension of the temporary exemption from the Application of IFRS 9 in IFRS 4

The standards and interpretations used for the first time as of January 1, 2021 had the following effects on the consolidated financial statements:

AMENDMENTS TO IFRS 16 COVID-19-RELATED RENT CONCESSIONS AFTER JUNE 30, 2021

The practical expedient granted in IFRS 16 for the recognition of rent concessions due to the COVID-19 pandemic was extended. The practical expedient previously only applied to payments that would have been due on or before June 30, 2021 pursuant to the original contractual agreement. Following the latest amendment of IFRS 16, this period has now been extended to payments with an original maturity of up to June 30, 2022.

The amendments to IFRS 16 in respect of COVID-19-related rent concessions enable lessees to make use of a practical recognition exemption. This means that PUMA, as a lessee, may waive the evaluation of whether COVID-19-related rent concessions – e.g., a deferral of or exemption from rent/lease payments for a specific period of time – constitute lease modifications as defined in IFRS 16. PUMA has decided to make use of this option for all rent concessions that fall within the scope of this practical expedient.

This practical recognition exemption applies only to rent concessions that are a direct consequence of the COVID-19 pandemic and that meet the following requirements cumulatively:

a) The change to the lease payments may only result in a change to the consideration that is substantively equal to or less than the consideration before the rent concessions were granted. Accordingly, a (net) increase to the consideration would not fall within the scope of the practical recognition exemption.

b) The provision may only be exercised for payments that would have been due on or before June 30, 2022 pursuant to the original contractual agreement.

c) The changes must not be accompanied by any additional material changes to the terms and conditions of the contract. For example, a three-month suspension of lease payments before June 30, 2022, combined with a three-month lease extension at the end of the agreement term under practically the same conditions, does not constitute a material change to the contractual terms or conditions.

Where the above conditions are met, PUMA may account for the rent concessions as if they were variable lease payments and recognize them in the income statement in the period in which the rent concessions were granted. In the case of finally waived lease payments, it must be checked whether a derecognition of the lease liability is to be carried out in accordance with the requirements of IFRS 9 "Financial Instruments". This represents a simplification of the accounting treatment of the rent concessions, as it is no longer necessary to check whether the conditions for a contractual modification apply and any changes do not need to be accounted for as a contractual modification.

As a result of this practical recognition exemption, in the financial year 2021 PUMA recognized € 7.1 million in rent concessions (previous year: € 13.7 million) as variable lease payments in the income statement. This also led to a reversal of lease liabilities in almost the same amount. Furthermore, lease payments were deferred and, for some contracts, the underlying lease term was extended by a period of up to three months. In these cases, no adjustment was made to the amount of lease liabilities.

The information regarding leases in financial year 2021 is presented in chapter 10.

CHANGES IN OTHER STANDARDS AND INTERPRETATIONS

The amendments to the other standards and interpretations described below, which were to be initially adopted as of January 1, 2021, did not affect the PUMA consolidated financial statements.

The interest rate benchmark reform (phase 2, amendments to IFRS 9, IAS 39 and IFRS 7) concerns specific requirements for the accounting of hedge relationships of interest rate hedge instruments. This change has no effect on the PUMA consolidated financial statements.

The extension of the temporary exemption from the application of IFRS 9 (Financial Instruments) in IFRS 4 (Insurance Contracts) 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			
Amendments to IFRS 3	References to the Conceptual Framework	1/1/2022	1/1/2022
Amendments to IAS 37	Onerous contracts: Contract performance costs	1/1/2022	1/1/2022
Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use	1/1/2022	1/1/2022
Annual Improvements 2018 – 2020	Improvements to IFRS 1, IFRS 9, IFRS 16 and IAS 41	1/1/2022	1/1/2022
IFRS 17 (including amendment IFRS 17)	Insurance contracts	1/1/2023	1/1/2023
Endorsement pending			
Amendments to IAS 1	Classification of liabilities as current or non-current	1/1/2023	1/1/2023
Amendments to IAS 1	Disclosure of accounting policies	1/1/2023	1/1/2023
Amendments to IAS 8	Definition of accounting estimates	1/1/2023	1/1/2023
Amendments to IAS 12	Deferred taxes relating to assets and liabilities from a single transaction	1/1/2023	1/1/2023
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 consolidated financial statements from these amendments.

2. SIGNIFICANT CONSOLIDATION, ACCOUNTING AND VALUATION PRINCIPLES

CONSOLIDATION PRINCIPLES

The consolidated financial statements were prepared as of December 31, 2021, 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.

In individual cases, PUMA is the economic owner of shareholdings when it has a majority stake due to the contractual arrangements with shareholders who hold non-controlling interests in individual companies in the Group. These companies are included in the consolidated financial statements at 100% and without disclosure of non-controlling interests (the respective companies are marked in table T09). The present value of the capital shares attributable to the non-controlling interests and the present value of the residual purchase prices expected due to corporate performance are included in the capital consolidation as acquisition costs for the holdings. The costs directly attributable to the purchase and later differences in the present values of the expected residual purchase prices are recognized in the income statement in accordance with IFRS 3.

With respect to the remaining 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. Insofar as receivables and liabilities are of a long-term nature and have a capital-replacing character, the currency difference is recognized directly in equity and 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, 2021, 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 2021 were as follows:

↗ T.08

As of	**12/31/2020**	**102**
Formation of companies		4
Disposal of companies		5
As of	**12/31/2021**	**101**

The additions to the group of consolidated companies are due to the foundation of:

- PUMA Sports Philippines Inc., Philippines
- PUMA Sports (Thailand) Co., Ltd., Thailand
- STICHD SOUTHEAST ASIA SDN. BHD., Malaysia
- PT PUMA SPORTS INDONESIA, Indonesia

The disposals from the group of consolidated companies are due to mergers of the following companies within the group of consolidated companies:

- PUMA Logistik-Verwaltungs GmbH, Germany
- PUMA Retail Peru S.A.C., Peru
- Servicios Profesionales RDS, S.A. de C.V., Mexico

In addition, during the financial year, PUMA Teamwear Benelux B.V., Netherlands and PUMA Slovakia s.r.o. v likvidácii, Slovakia were liquidated.

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 Dec. 31, 2021

No.	Companies/Legal Entities	Country	City	Shareholder	Share in 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	Arhus	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 Dec. 31, 2021

No.	Companies/Legal Entities	Country	City	Shareholder	Share in 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	Hertzeliya	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 economically 100% PUMA Group

as of Dec. 31, 2021

No.	Companies/Legal Entities	Country	City	Shareholder	Share in 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 Ticaret A.S.	Turkey	Istanbul	indirect	100%
49.	PUMA UKRAINE LIMITED LIABILITY COMPANY	Ukraine	Kiew	indirect	100%
50.	PUMA Middle East FZ-LLC	United Arab Emirates	Dubai	indirect	100%
51.	PUMA UAE (L.L.C)	United Arab Emirates	Dubai	indirect	100%*
	Americas				
52.	PUMA Sports Argentina S.A. (former Unisol S.A.)	Argentina	Buenos Aires	indirect	100%
53.	PUMA Sports Ltda.	Brazil	Sao Paulo	indirect	100%
54.	PUMA Canada, Inc.	Canada	Toronto	indirect	100%
55.	PUMA United Canada ULC	Canada	Vancouver	indirect	51%
56.	PUMA CHILE SpA	Chile	Santiago	direct	100%
57.	PUMA SERVICIOS SpA	Chile	Santiago	indirect	100%
58.	PUMA México Sport, S.A. de C.V.	Mexico	Mexico City	direct	100%
59.	Importaciones RDS, S.A. de C.V.	Mexico	Mexico City	direct	100%
60.	GLOBAL LICENSE STICHD GROUP MEXICO S.A. de C.V.	Mexico	Mexico City	indirect	100%
61.	Importationes Brand Plus Licensing S.A. de C.V.	Mexico	Mexico City	indirect	100%

* subsidiaries which are assigned to be economically 100% PUMA Group

as of Dec. 31, 2021

No.	Companies/Legal Entities	Country	City	Shareholder	Share in Capital
62.	Distribuidora Deportiva PUMA S.A.C.	Peru	Lima	indirect	100%
63.	Distribuidora Deportiva PUMA Tacna S.A.C.	Peru	Tacna	indirect	100%
64.	PUMA Sports LA S.A.	Uruguay	Montevideo	direct	100%
65.	PUMA Suede Holding, Inc.	USA	Wilmington	indirect	100%
66.	PUMA North America, Inc.	USA	Wilmington	indirect	100%
67.	Cobra Golf Incorporated	USA	Wilmington	indirect	100%
68.	PUMA United Canada Holding, Inc.	USA	Wilmington	indirect	100%
69.	PUMA United North America LLC	USA	Dover	indirect	51%
70.	Janed Canada, LLC	USA	Dover	indirect	51%
71.	stichd NA, Inc.	USA	Wilmington	indirect	100%
	Asia/ Pacific				
72.	PUMA Australia Pty. Ltd.	Australia	Melbourne	indirect	100%
73.	White Diamond Australia Pty. Ltd.	Australia	Melbourne	indirect	100%
74.	White Diamond Properties Pty. Ltd.	Australia	Melbourne	indirect	100%
75.	PUMA China Ltd. (彪马（上海）商贸有限公司)	China	Shanghai	indirect	100%
76.	stichd Trading (Shanghai) Co., Ltd. (斯梯起特贸易（上海）有限公司)	China	Shanghai	indirect	100%
77.	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%
78.	World Cat Ltd. (寰彪有限公司)	China	Hongkong	direct	100%
79.	Development Services Ltd.	China	Hongkong	direct	100%
80.	PUMA International Trading Services Ltd.	China	Hongkong	indirect	100%
81.	PUMA ASIA PACIFIC LTD (彪馬亞太區有限公司)	China	Hongkong	direct	100%
82.	PUMA Hong Kong Ltd. (彪馬香港有限公司)	China	Hongkong	indirect	100%
83.	stichd Limited	China	Hongkong	indirect	100%

as of Dec. 31, 2021

No.	Companies/Legal Entities	Country	City	Shareholder	Share in Capital
84.	PUMA Sports India Private Ltd.	India	Bangalore	indirect	100%
85.	PUMA India Corporate Services Private Ltd.	India	Bangalore	indirect	100%
86.	World Cat Sourcing India Private Ltd.	India	Bangalore	indirect	100%
87.	PT. PUMA Cat Indonesia	Indonesia	Jakarta	indirect	100%
88.	PT PUMA Sports Indonesia	Indonesia	Jakarta	indirect	100%
89.	PUMA Japan K.K. (プーマ ジャパン株式会社)	Japan	Tokyo	indirect	100%
90.	PUMA Korea Ltd. (푸마코리아 유한회사)	Korea (South)	Seoul	direct	100%
91.	Stichd Korea Ltd	Korea (South)	Incheon	indirect	100%
92.	PUMA Sports Goods Sdn. Bhd.	Malaysia	Petaling Jaya	indirect	100%
93.	STICHD SOUTHEAST ASIA SDN. BHD.	Malaysia	Kuala Lumpur	indirect	100%
94.	PUMA New Zealand Ltd.	New Zealand	Auckland	indirect	100%
95.	PUMANILA IT SERVICES INC.	Philippines	City of Makati	indirect	100%
96.	PUMA Sports Philippines Inc.	Philippines	City of Makati	indirect	100%
97.	PUMA Sports SEA Trading Pte. Ltd.	Singapore		indirect	100%
98.	PUMA SEA Holding Pte. Ltd.	Singapore		indirect	100%
99.	PUMA Taiwan Sports Ltd. (台灣彪馬股份有限公司)	China (Taiwan)	Taipei	indirect	100%
100.	PUMA Sports (Thailand) Co., Ltd.	Thailand	Bangkok	indirect	100%
101.	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 costs.

The assets and liabilities of foreign subsidiaries, the functional currency of which 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 against equity.

The significant conversion rates per euro are as follows:

↗ T.10

	2021		2020	
Currency	Reporting date exchange rate	Average exchange rate	Reporting date exchange rate	Average exchange rate
USD	1.1326	1.1827	1.2271	1.1422
CNY	7.1947	7.6282	8.0225	7.8747
JPY	130.3800	129.8767	126.4900	121.8458
GBP	0.8403	0.8596	0.8990	0.8897

The currency area Argentina has been in a hyperinflationary environment since 2018. The effects on the consolidated financial statements 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 € 17.5 million (previous year: € 14.7 million) (mainly property, plant and equipment, intangible assets and inventories), a decrease in liabilities of € 3.1 million (previous year: € 0.0 million) and an adjustment of equity of € 20.6 million (previous year: € 14.7 million). Furthermore, the operating result (EBIT) would have decreased by € 1.2 million (previous year: € 4.4 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 PRINCIPLES

FINANCIAL INSTRUMENTS

Financial instruments are classified and recognized in accordance with IFRS 9. 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 interests, however, are disposed of or written off, the gains and losses from these interests 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) 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 against equity, taking into account deferred taxes. If there is no complete effectiveness, the ineffective part is recognized in the income statement. The amounts recognized in equity 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 equity 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 and to hedge the fair value of a recognized asset or liability are shown under other short-term and long-term financial assets or liabilities.

LEASES

PUMA has concluded leases exclusively as lessee.

The leases are respectively identified on an individual contract level. PUMA recognizes for all leases 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 an acquisition value of the assets of less than € 5,000). 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 underlying the lease contract 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 an economic incentive to exercise the extension option or not 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.

As described in chapter 1 above, PUMA applies the practical recognition exemption for COVID-19-related 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 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 must be added. Lease incentives received from the lessor must be deducted and initial direct costs must be 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 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 allows to dispense 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 right-of-use assets are subject to impairment of assets in accordance with 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. For this purpose, a so-called "triggering event test" is carried out after the annual budget planning has been prepared or on an occasional basis.

The value in use is determined for each retail store using the 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. With reference to the bottom-up budget, country- and CGU-specific sales and cost developments are used as a basis for the remaining useful life. The growth rates used are based on the expected nominal retail growth in the respective market for the respective planning year. All retail stores are experiencing growth rates in a single-digit to low double-digit percentage range. Cash flows were discounted at a weighted average cost of capital rate of between 4.7% and 19.7% (previous year: between 3.7% and 18.9%) when determining the value in use of retail stores. This was based on a risk-free interest rate on equivalent term structures of 0.1% (previous year: 0.4%) and a market risk premium of 7.8% (previous year: 7.8%). 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 the carrying amount of the assets of the retail stores exceeds the determined value in use, the fair value of the cash-generating unit is also calculated. If an impairment occurs, the fair value of the right-of-use asset is determined separately, taking into account materiality aspects, using internal or external data sources.

If there are indications that stores that have previously been written down have achieved a turnaround and are again recoverable, an additional triggering event test is carried out and, where applicable, a reversal of impairment loss is recorded up to the amount of the amortized costs.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and bank balances. To the extent that bank deposits are not immediately required to finance current assets, they are invested as fixed-term deposits for 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

Inventories are measured at acquisition or manufacturing costs or at the lower net realizable values derived from the selling price 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, in a manner that is standard throughout the Group.

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. The transaction price according to IFRS 15 "Revenue from Contracts with Customers" is the amount of the consideration expected by the Company for the delivery of goods or the provision of services to customers, 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.

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 subsequent measurement of the other financial assets is therefore always carried out at amortized cost, taking into account the respective impairment losses. The business model "trading" is not used.

The non-current assets contain loans and other assets. Non-interest-bearing non-current assets are discounted to present value if the resulting effect is significant.

INVESTMENTS

The investments recognized under non-current financial assets belong 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 trade date. Investments are initially recognized at fair value plus transaction costs. They are also recognized at fair value in subsequent periods if this can be reliably determined. Unrealized gains and losses are recognized in the 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 costs, 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. The acquisition costs of property, plant and equipment also include interest on borrowings in accordance with IAS 23, insofar as these accrue and the effect is significant.

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 costs, 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.

The item also includes acquired trademark rights, which are assumed to have an indefinite useful life in light of the history of the brands and due to the fact that the brands are continued by PUMA.

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 written down, 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.

Impairment tests are performed 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. Should indications of a value impairment of a self-used trademark arise, the recoverability of the trademark is not only measured individually using the relief-from-royalty method, but the recoverable amount of the group of cash-generating units to which the trademark is to be allocated is also 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 category "measured at fair value through profit or loss" (FVPL) is not used with regard to financial liabilities.

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 a kind of reverse factoring, the financing conditions of which are also linked to the achievement of sustainability targets by the suppliers. Participation in the program is voluntary for the suppliers and helps the suppliers to pre-finance the supplier invoices to PUMA from one of the partner banks against an interest discount already considerably 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). There are therefore also no discretionary decisions to be made with regard to the balance sheet and 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 under 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 and the mortality tables used 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.

Provisions for restructuring measures are also recorded if a detailed, formal restructuring plan has been prepared, which has created a justified expectation that the restructuring measures will be carried out by those concerned due to its implementation starting or its major components being announced.

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 and key performance indicator-based long-term incentive programs.

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 growth, operating result (EBIT), cash flow and gross profit margin are determined for key figure-based compensation processes and recognized in the income statement as Other Provisions with their respective degree of target achievement.

RECOGNITION OF SALES REVENUES

The Group recognizes sales revenues from the sale of sporting goods. The sales revenues 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 the sales revenues. The Group records sales revenues 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. 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 conformity 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 revenues 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 shop. The payment of the purchase price is due as soon as the customers purchase the products.

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 revenues by a provision for returns. 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 resulting from this allocation of expenses after the balance sheet date are recognized in the form of an impairment of assets or a provision for anticipated losses in the financial statements.

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. Grants related to income are deducted from the corresponding expenses in the income statement (net presentation).

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.

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, 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 sufficiently certain 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. Value adjustments are recognized on the basis of the past earnings situation and the business expectations for the foreseeable future, if this criterion is not fulfilled.

ASSUMPTIONS AND 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, as well as 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 are made in particular with regard to evaluating the control of companies with non-controlling interests, the measurement of goodwill and brands, pension obligations, derivative financial instruments, leases and taxes. 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 2022 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.

Pension Obligations

Pension obligations are determined using an actuarial calculation. This calculation is contingent on a large number of factors that are based on assumptions and estimates regarding the discount rate, the expected return on plan assets, future wage and salary increases, mortality and future pension increases. Due to the long-term nature of the commitments made, the assumptions are subject to significant uncertainties. Any change in these assumptions has an impact on the carrying amount of the pension obligations. The Group determines at the end of each year the discount rate applied to determine the present value of future payments. This discount rate is based on the interest rates of corporate bonds with the highest credit rating that are denominated in the currency in which the benefits are paid and the maturity of which corresponds to that of the pension obligations. See chapter 15 for further details, in particular regarding the parameters used for the calculation.

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; depending on the management's assessment, these differing opinions may be taken into account using the most probable amount for the respective case.

The recognition of deferred taxes, in particular with respect to tax losses carried forward, 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 judgment. This 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 on losses carried forward are recorded in the event of companies incurring a loss only if it is highly probable that future positive income will be achieved that can be offset against these tax losses carried forward in the next 5 years. See chapter 8 for further information and detailed assumptions.

Derivative Financial Instruments

The assumptions used for estimating derivative financial instruments are based on the prevailing market conditions as of the balance sheet date and thus reflect the fair value. See chapter 24 for further information.

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.

NOTES TO THE CONSOLIDATED BALANCE SHEET

3. CASH AND CASH EQUIVALENTS

As of December 31, 2021, the Group has € 757.5 million (previous year: € 655.9 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 1.5% (previous year: 1.5%). There are no restrictions on disposition.

4. INVENTORIES

Inventories are allocated to the following main groups:

↗ **T.11** (€ million)

	2021	2020
Raw materials, consumables and supplies	30.2	15.4
Finished goods and merchandise/inventory		
Footwear	356.2	324.7
Apparel	325.5	273.9
Accessories/Other	154.9	128.3
Prepayments made	25.9	0.0
Goods in transit	535.6	351.7
Inventory adjustments related to returns	64.0	43.9
Total	**1,492.2**	**1,138.0**

The table shows the carrying amounts of the inventories net of value adjustments. Of the value adjustments in the amount of € 169.3 million (previous year: € 115.7 million), approx. 58.1% (previous year approx. 69.6%) were recognized as an expense under cost of sales in the financial year 2021.

The volume of inventories recorded as an expense during the period mainly includes the cost of sales shown in the consolidated income statement.

The right to return goods represents the merchandise value of the products where a return is expected.

5. TRADE RECEIVABLES

This item consists of:

↗ **T.12** (€ million)

	2021	2020
Trade receivables, gross	906.7	682.9
Less provision for risks	-58.7	-61.9
Trade receivables, net	**848.0**	**621.0**

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

↗ **T.13** (€ million)

	2021	2020
Status of provision for risks as of January 1	**61.9**	**36.8**
Exchange rate differences	1.5	-2.7
Additions	11.8	33.9
Utilization	-4.9	-3.1
Reversals	-11.5	-2.9
Status of provision for risks as of December 31	**58.7**	**61.9**

The age structure of the trade receivables is as follows:

↗ **T.14** (€ 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%

Receivables due for more than 60 days are allocated to Level 3 as "objectively impaired," the remaining receivables are allocated to Level 2.

↗ **T.15** (€ million)

2020	Total	Not due	0-30 days	31-90 days	91-180 days	Over 180 days
Gross carrying amount – Trade receivables	682.9	551.5	56.7	15.9	11.7	47.1
Provision for risks	61.9	15.2	4.1	2.6	2.8	37.2
Net carrying amount – Trade receivables	621.0	536.3	52.6	13.3	8.9	9.9
Expected loss rate		2.8%	7.3%	16.4%	23.9%	78.9%

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)

	2021	2020
Fair value of derivative financial instruments	123.2	23.6
Other financial assets	30.2	29.3
Total	**153.4**	**52.9**

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

The increase in derivative financial instruments is mainly attributable to a rise in the US dollar exchange rate.

7. OTHER CURRENT ASSETS

This item consists of:

↗ **T.17** (€ million)

	2021	2020
Prepaid expense relating to the subsequent period	90.2	50.4
Other receivables	110.7	73.6
Total	**200.9**	**124.1**

The amount shown is due within one year. The fair value corresponds to the carrying amount. The increase in prepaid expense relating to the subsequent period is primarily due to prepaid advertising and promotional expenses.

Other receivables mainly comprise receivables relating to VAT of € 55.4 million (previous year: € 38.9 million) and other taxes of € 21.3 million (previous year: € 16.2 million).

8. DEFERRED TAXES

Deferred taxes relate to the items shown below:

↗ **T.18** (€ million)

	2021	2020
Tax loss carryforwards	74.1	103.4
Non-current assets	51.4	39.2
Current assets	76.8	60.1
Provisions and other liabilities	109.5	97.5
Deferred tax assets (before netting)	**311.8**	**300.3**
Non-current assets	62.6	49.8
Current assets	11.9	8.2
Provisions and other liabilities	6.3	5.4
Deferred tax liabilities (before netting)	**80.7**	**63.4**
Deferred tax assets, net	**231.1**	**236.9**

Of the deferred tax assets, € 174.4 million (previous year: € 141.6 million) are current, and of the deferred tax liabilities € 13.2 million (previous year: € 9.7 million) are current.

As of December 31, 2021, tax losses carried forward amounted to a total of € 489.4 million (previous year: € 571.7 million). This results in a deferred tax asset of € 117.9 million (previous year: € 145.4 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. Accordingly, deferred tax assets for tax loss carryforwards in the amount of € 43.8 million (previous year: € 41.9 million) were not recognized; of these, € 42.2 million (previous year: € 39.9 million) cannot expire, of which, however, € 11.5 million (previous year: € 11.3 million) will never be usable due to a lack of future profits. The remaining unrecognized deferred tax assets of € 1.6 million (previous year: € 2.1 million) will expire within the next six years.

In addition, no deferred taxes were recognized for deductible temporary differences amounting to € 7.2 million (previous year: € 6.3 million) because their realization was not expected as of the balance sheet date.

Deferred tax liabilities for withholding taxes from possible dividends on retained earnings of subsidiaries that serve to cover the financing needs of the respective company were not accumulated, since it is most likely that such temporary differences will not be cleared in the near future.

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)

	20201	**2020**
Deferred tax assets	279.9	277.5
Deferred tax liabilities	48.8	40.6
Deferred tax assets, net	**231.1**	**236.9**

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

↗ T.20 (€ million)

	2021	**2020**
Deferred tax assets, net as of January 1	236.9	184.8
Recognition in the income statement	-2.7	56.7
Adjustment related to remeasurements of the net defined benefit liability, recognized in other comprehensive income	0.3	1.1
Adjustment related to the market value of currency hedging contracts, recognized in other comprehensive income		
thereof released to profit and loss for the period	-4.7	0.1
thereof fair value measurement of cash flow hedges	-4.5	5.1
Exchange rate differences	5.8	-11.0
Deferred tax assets, net as of December 31	**231.1**	**236.9**

9. PROPERTY, PLANT AND EQUIPMENT

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

↗ **T.21** (€ million)

	2021	2020
Land and buildings, including buildings on third-party land	121.6	131.9
Technical equipment and machinery	125.7	8.4
Other equipment, factory and office equipment	183.0	154.6
Assets under construction	42.1	112.0
Total	**472.4**	**406.9**

The carrying amount of property, plant and equipment is derived from the acquisition costs. Accumulated depreciation of property, plant and equipment amounted to € 457.6 million (previous year: € 411.4 million).

The changes in property, plant and equipment in the financial year 2021 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)

	2021	2020
Land and buildings – Retail stores	382.9	355.2
Land and buildings – Warehouses & Offices	505.8	464.3
Others (Technical equipment & machines and motor vehicles)	51.9	58.1
Total	**940.5**	**877.6**

The changes in right-of-use assets in the financial year 2021 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)

	2021	2020
Current lease liabilities	172.3	156.5
Non-current lease liabilities	851.0	775.2
Total	**1,023.4**	**931.7**

The amounts recognized in the income statement are as follows:

↗ **T.24** (€ million)

	2021	2020
Depreciation of right-of-use assets (incl. impairment losses) (included in operating expenses)	194.7	186.4
Profit (-)/loss (+) from disposal/revaluation	-1.0	0.0
Interest expense (included in financial expenses)	31.5	29.3
Short-term leases (included in operating expenses)	6.3	5.6
Leases of low-value assets (included in operating expenses)	0.7	0.6
Variable lease payments (included in operating expenses)	24.5	11.5
Total	**256.7**	**233.4**

Variable lease payments are incurred in connection with the Group's own retail stores. These are based on the sales revenue 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 € 7.1 million (previous year: € 13.7 million), which were recognized as variable lease payments in the income statement.

Due to reduced earnings prospects, impairment expenses totaling € 18.5 million were incurred in the financial year 2021 (previous year: € 16.1 million) relating to right-of-use assets in connection with the Group's own retail stores. There were no impairments to the other categories of right-of-use assets.

Total cash outflows from lease liabilities in 2021 amounted to € 192.4 million (previous year: € 164.2 million).

In 2021, 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, 2021. Future lease payments in connection with these agreements amount to € 2.4 million (previous year: € 4.7 million) for the next year, € 14.3 million for years two to five (previous year: € 24.1 million) and € 6.4 million for the subsequent period (previous year: € 9.0 million). The lease terms for these are up to 10 years.

The maturity analysis of lease liabilities is as follows:

↗ **T.25** (€ million)

	2021	**2020**
Residual term of:		
1 to 2 years	197.3	180.5
2 to 5 years	545.7	463.3
more than 5 years	432.4	435.6
Total (undiscounted)	1,175.4	1,079.4
Interests	-152.0	-147.7
Total	**1,023.4**	**931.7**

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 central assumptions applied in Group-level planning are that the global economy will gradually return to normal in 2022 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 gains of market shares 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. 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 on inflation rate 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 € 125.6 million (previous year: € 115.9 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 7.4% p.a. (previous year: 6.4% p.a.), a royalty rate of 8.0% (previous year: 8.0%) and a 1.7% growth rate (previous year: 1.7%) was used.

If indications of a value impairment of a self-used trademark should arise, the trademark is not only valued individually using the relief-from-royalty method, but the recoverable amount of the group of cash-generating units to which the trademark is to be allocated is also determined. In 2021, there were no indications of an impairment.

In the financial year, development costs in connection with Cobra brand golf clubs amounting to € 1.7 million (previous year: € 1.8 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 € 1.1 million in the financial year (previous year: € 2.3 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 € 5.7 million (previous year: € 22.8 million).

The current amortization of intangible assets in the amount of € 27.8 million (previous year: € 24.4 million) is included in the other operating expenses. Of this, € 5.8 million relate to sales and distribution expenses (previous year: € 3.8 million), € 0.1 million to expenses for product management/ merchandising (previous year: € 0.1 million), € 1.1 million to development expenses (previous year: € 2.3 million), and € 20.8 million to administrative and general expenses (previous year: € 18.3 million). There were no impairment expenses exceeding current depreciation (previous year: € 1.9 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)

	2021	2020
PUMA UK	1.7	1.6
Genesis	7.3	6.8
Subtotal Europe	9.0	8.4
PUMA Canada	9.9	9.1
PUMA United	1.9	1.8
Subtotal North America	11.8	10.9
PUMA Argentina	15.4	14.2
PUMA Chile	0.5	0.5
PUMA Mexico	9.8	9.3
Subtotal Latin America	25.7	24.1
PUMA China	2.5	2.5
PUMA Taiwan	14.3	13.0
Subtotal Greater China	16.8	15.5
PUMA Japan	42.0	43.3
Subtotal Asia/ Pacific (without Greater China)	42.0	43.3
stichd	139.4	139.4
Total	**244.7**	**241.5**

Assumptions used in conducting the impairment tests in 2021:

↗ **T.27**

	Tax rate (range)	WACC before tax (range)	WACC after tax (range)
Europe	19.0%	8.9%-9-0%	7.6%
North America*	26.7%	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 (without Greater China)*	31.8%	9.8%	7.1%
stichd*	25.0%	9.0%	7.1%

* The information for North America, Asia/ Pacific (without 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 1.7% (previous year: 1.7%) is generally assumed. A growth rate of less than 1.7% (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 and Taiwan.

The cash-generating unit stichd includes goodwill of € 139.4 million (previous year: € 139.4 million), which is significant in comparison to the overall carrying amount of goodwill. The recoverable amount was determined by a value-in-use calculation with a discount rate of 7.1% p.a. (previous year: 6.1% p.a.) and a growth rate of 1.7% (previous year: 1.7%).

Sensitivity analyses with regard to the impairment tests carried out as of the balance sheet date show that neither an increase in discount rates by one percentage point, respectively, nor a reduction in growth rates by one percentage point, respectively, results in any indication of impairment. Due to the ongoing increased uncertainty as a result of the COVID-19 pandemic, in the financial year 2021 additional sensitivity analyses were also carried out with regard to the impairment tests. Alongside an increase in discount rates by one percentage point, respectively, and a simultaneous reduction in growth rates by one percentage point, respectively, these analyses also assume a reduction in operating result (EBIT) of 10% respectively in the underlying three-year plan. This resulted in an overall indication of impairment in the amount of € 8.1 million (previous year: € 1.6 million).

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%	8.0%-8.1%	6.8%
EEMEA*	28.0%	16.3%	12.4%
North America*	26.3%	8.0%	6.3%
Latin America	27.0%-30.0%	10.7%-51.3%	8.2%-60.3%
Greater China	20.0%-25.0%	7.0%-9.5%	5.7%-7.5%
Asia/ Pacific (without Greater China)*	31.8%	8.7%	6.3%
stichd*	25.0%	7.6%	6.1%

* The information for EEMEA, North America, Asia/ Pacific (without 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)

	2021	2020
Investments	25.2	25.3
Fair value of derivative financial instruments	6.8	2.5
Other financial assets	32.6	30.9
Total of other non-current financial assets	**64.6**	**58.8**
Other non-current non-financial assets	9.1	6.8
Other non-current assets, total	**73.7**	**65.6**

The investments relate to the 5.32% shareholding in Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien (BVB) with registered office in Dortmund, Germany.

The other financial assets mainly include rental deposits of € 30.5 million (previous year: € 26.8 million). The other non-current non-financial assets mainly include accruals and deferrals in connection with promotional and advertising agreements.

13. LIABILITIES

The residual terms of liabilities are as follows:

↗ **T.30** (€ million)

	2021				2020			
		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	**380.0**	68.5	311.5		**266.4**	121.4	145.0	
Trade payables	**1,176.4**	1,176.4			**941.5**	941.5		
Other liabilities*								
Liabilities from other taxes	**54.0**	54.0			**50.5**	50.5		
Liabilities relating to social security	**8.5**	8.5			**9.9**	9.9		
Payables to employees	**127.4**	127.4			**79.0**	79.0		
Refund liabilities	**351.2**	351.2			**227.4**	227.4		
Liabilities from derivative financial instruments	**44.5**	42.4	2.1		**135.2**	126.9	8.3	
Other liabilities	**31.5**	29.9	1.1	0.5	**36.0**	35.1	0.8	
Total	**2,173.7**	1,858.4	314.8	0.5	**1,745.9**	1,591.8	154.1	

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

PUMA has confirmed credit lines amounting to a total of € 1,322.0 million (previous year: € 1,639.1 million). The syndicated credit line of € 200.0 million from 11 commercial banks and the Kreditanstalt für Wiederaufbau (KfW) existing as of December 31, 2020, which was concluded as “bridge financing” against possible cash shortfalls due to the COVID-19 pandemic, was terminated on February 1, 2021. The termination took place because PUMA was already able to refinance itself in the 2020 financial year through a new promissory note loan (€ 250.0 million) with a term of 3 respectively 5 years and an increase in the syndicated credit facility previously amounting to € 350.0 million to a new € 800.0 million. Moreover, the first tranche of € 100.0 million from the promissory note issued in 2018, which matured in July 2021, was repaid.

No financial liabilities were utilized from credit lines granted only until further notice. Unutilized credit lines totaled € 942.0 million as of December 31, 2021, compared to € 1,372.7 million in the previous year.

The effective interest rate of the financial liabilities ranged between 0.0% and 0.9% (previous year: 0.1% to 14.8%).

The liabilities from refund obligations result from contracts with customers and include obligations from customer return rights as well as obligations linked to customer bonuses.

The table below shows the cash flows of the non-derivative financial liabilities and of the derivative financial instruments with a positive and negative fair value:

↗ T.31 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		

The following values were determined in the previous year:

↗ T.32 CASH FLOWS FROM NON-DERIVATIVE AND DERIVATIVE FINANCIAL LIABILITIES (€ million)

	Carrying amount 2020	Cashflow 2021		Cashflow 2022		Cashflow 2023 et seq.	
		Interest	Repayment	Interest	Repayment	Interest	Repayment
Non-derivative financial liabilities							
Financial liabilities	266.4	0.8	121.4	0.7		1.6	145.0
Trade payables	941.5		941.5				
Other liabilities	24.6		24.2		0.1		0.3
Derivative financial liabilities and assets							
Cash-Inflow from derivative financial instruments			2,893.7		495.3		
Cash-Outflow from derivative financial instruments			2,999.4		502.0		

14. ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

↗ **T.33** (€ million)

	Measurement categories under IFRS 9	Carrying amount 2021	Fair value 2021	Carrying amount 2020	Fair value 2020
Assets					
Cash and cash equivalents	[1] AC	757.5	757.5	655.9	655.9
Trade receivables	AC	848.0	848.0	621.0	621.0
Other current financial assets	AC	30.2	30.2	29.3	29.3
Derivatives with hedging relationship (fair value) (current and non-current)	n.a.	127.2	127.2	25.7	25.7
Derivatives without hedging relationship (fair value)	[2] FVPL	2.9	2.9	0.4	0.4
Other non-current financial assets	AC	32.6	32.6	30.9	30.9
Investments	[3] FVOCI	25.2	25.2	25.3	25.3
Liabilities					
Financial liabilities (current and non-current)	AC	380.0	380.0	266.4	266.4
Trade payables	AC	1,176.4	1,176.4	941.5	941.5
Other financial liabilities (current and non-current)	AC	22.5	22.5	24.6	24.6
Derivatives with hedging relationship (fair value) (current and non-current)	n.a.	39.1	39.1	134.9	134.9
Derivatives without hedging relationship (fair value)	[2] FVPL	5.4	5.4	0.3	0.3
Total financial assets at amortised cost		**1,668.3**	**1,668.3**	**1,337.1**	**1,337.1**
Total financial liabilities at amortised cost		**1,579.0**	**1,579.0**	**1,232.5**	**1,232.5**
Total financial assets at FVOCI		**25.2**	**25.2**	**25.3**	**25.3**

1) AC = at amortised cost
2) FVPL = fair value through PL
3) FVOCI = fair value through OCI

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 price) or indirectly (i.e., derivation of prices).

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

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

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 € 36.7 million (previous year: € 34.2 million) that were pledged as rental deposits at usual market rates.

In December 2021, due to the good liquidity situation, PUMA decided to repay € 68.5 million in variable-interest promissory note loan tranches early on the next interest-rate assessment date of January 12, 2022, and these are therefore reported as current financing instruments as of the reporting date. As of the reporting date, the carrying amount approximates fair value. The non-current bank liabilities consist of fixed-interest and variable-interest loans. The carrying amount represents a reasonable approximation of their fair value as the interest rate differential is not significant at the reporting date.

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.

The fair values of derivative financial instruments at the balance sheet date 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. No material deviations were found, so that no adjustments were made to the fair value determined.

Net result by measurement categories:

↗ **T.34** (€ million)

	2021	2020
Financial assets at amortised cost	-3.9	-21.0
Financial liabilities at amortised cost	-6.5	-8.5
Derivatives without hedging relationship	-4.0	1.6
Financial assets at FVOCI	-6.2	-14.7
Total	**-20.5**	**-42.6**

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 sales.

General administrative expenses include changes in risk provisions for receivables.

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, to a minor degree, 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 a few years ago in Germany and the UK for new hires. 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 UK plan in 2016 covers this risk for the highest obligations. The UK plan is therefore classified as a non-salary obligation.

↗ **T.35** (€ million)

	Germany	UK	Other Companies	PUMA Group
Present Value of Pension Claims 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 following values were determined in the previous year:

↗ T.36 (€ million)

	Germany	UK	Other Companies	PUMA Group
Present Value of Pension Claims 12/31/2020				
Salary-based obligations				
Annuity	0.0	0.0	10.2	10.2
One-off payment	0.0	0.0	10.0	10.0
Non-salary-based obligations				
Annuity	35.0	49.0	0.0	84.0
One-off payment	7.5	0.0	0.0	7.5
Total	**42.5**	**49.0**	**20.2**	**111.7**

The main pension arrangements are described below:

The general pension scheme of PUMA SE generally 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 commitments (in part from salary conversion). The contribution-based commitments are insured plans. There are no statutory minimum funding requirements. The scope of obligation for domestic pension claims amounts to € 51.2 million at the end of 2021 (previous year: € 42.5 million) and thus comprises 42.0% of the total obligation. The fair value of the plan assets relative to domestic obligations amounts to € 40.7 million. The corresponding pension provision amounts to € 10.5 million.

The defined benefit plan in the United Kingdom 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 the UK amount to € 51.4 million at the end of 2021 (previous year: € 49.0 million) and thus accounts for 42.0% of the total obligation. The obligation is covered by assets amounting to € 45.5 million. The provision amounts to € 5.9 million.

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

↗ T.37 (€ million)

	2021	2020
Present Value of Pension Claims January 1	**111.7**	**98.7**
Cost of the pension claims earned in the reporting year	2.6	2.7
Past service costs	0.0	0.0
(Profits) and losses from settlements	0.0	0.0
Interest expense on pension claims	1.4	1.5
Employee contributions	8.3	6.7
Benefits paid	-3.3	-3.4
Effects from transfers	0.1	0.9
Actuarial gains (-) and losses	-2.0	7.4
Currency exchange effects	3.5	-2.8
Present Value of Pension Claims December 31	**122.3**	**111.7**

The changes in the plan assets are as follows:

↗ T.38 (€ million)

	2021	2020
Plan Assets January 1	**73.5**	**64.6**
Interest income on plan assets	0.9	1.0
Actuarial gains and losses (-)	1.9	3.0
Employer contributions	5.6	1.9
Employee contributions	8.3	6.7
Benefits paid	-2.3	-1.6
Effects from transfers	0.0	0.0
Currency exchange effects	2.8	-2.2
Plan Assets December 31	**90.7**	**73.5**

The pension provision for the Group is derived as follows:

↗ **T.39** (€ million)

	2021	2020
Present value of pension claims from benefit plans	122.3	111.7
Fair value of plan assets	-90.7	-73.5
Financing Status	**31.6**	**38.2**
Amounts not recorded due to the maximum limit applicable to assets	0.0	0.0
Pension Provision December 31	**31.6**	**38.2**
of which assets	0.3	0.0
of which liabilities	31.9	38.2

In 2021, benefits paid amounted to € 3.3 million (previous year: € 3.4 million). Contributions in 2022 are expected to amount to € 2.5 million. Of this, € 0.9 million is expected to be paid directly by the employer. Employer contributions to external plan assets amounted to € 5.6 million in 2021 (previous year: € 1.9 million). Employer contributions in 2022 are expected to amount to € 0.6 million.

The changes in pension provisions are as follows:

↗ **T.40** (€ million)

	2021	2020
Pension Provision January 1	**38.2**	**34.1**
Pension expense	3.1	3.2
Actuarial gains (-) and losses recorded in Other Comprehensive Income	-3.9	4.4
Employer contributions	-5.6	-1.9
Direct pension payments made by the employer	-1.0	-1.8
Transfer values	0.1	0.9
Currency exchange differences	0.7	-0.7
Pension Provision December 31	**31.6**	**38.2**
of which assets	0.3	0.0
of which liabilities	31.9	38.2

The expenses in the 2021 financial year are structured as follows:

↗ **T.41** (€ million)

	2021	2020
Cost of the pension claims earned in the reporting year	2.6	2.7
Past service costs	0.0	0.0
Income (-) and expenses from plan settlements	0.0	0.0
Interest expense on pension claims	1.4	1.5
Interest income on plan assets	-0.9	-1.0
Administration costs	0.0	0.0
Expenses for Defined Benefit Plans	**3.1**	**3.2**
of which personnel costs	2.6	2.7
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 2021 amounted to € 15.0 million (previous year: € 13.6 million).

Actuarial gains and losses recorded in Other Comprehensive Income:

↗ **T.42** (€ million)

	2021	2020
Revaluation of Pension Commitments	**-2.0**	**7.4**
Actuarial gains (-) and losses resulting from changes in demographic assumptions	0.5	0.2
Actuarial gains (-) and losses resulting from changes in financial assumptions	-2.7	6.8
Actuarial gains (-) and losses due to adjustments based on experience	0.2	0.4
Revaluation of Plan Assets	**-1.9**	**-3.0**
Amounts not recorded due to the maximum limit applicable to assets	0.0	0.0
Adjustment of administration costs	0.0	0.0
Total Revaluation Amounts recorded directly in Other Comprehensive Income	**-3.9**	**4.4**

Plan assets investment classes:

↗ **T.43** (€ million)

	2021	2020
Cash and cash equivalents	6.6	3.0
Equity instruments	0.8	0.8
Bonds	7.1	7.3
Investment funds	14.0	12.4
Derivatives	9.2	8.0
Real estate	4.8	3.7
Insurance	40.8	31.6
Others	7.4	6.5
Total Plan Assets	**90.7**	**73.5**

Of which investment classes with a quoted market price:

↗ **T.44** (€ million)

	2021	2020
Cash and cash equivalents	6.6	3.2
Equity instruments	0.8	0.8
Bonds	7.1	7.3
Investment funds	14.0	12.4
Derivatives	9.2	8.0
Real estate	4.3	3.1
Insurance	0.0	0.0
Others	7.3	6.4
Plan Assets with a quoted Market Price	**49.3**	**41.2**

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 fulfill 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) they can be chosen freely. In the UK, 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 2020 to reduce the risk profile.

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

↗ T.45

	2021	2020
Discount rate	1.62%	1.28%
Future pension increases	2.28%	2.08%
Future salary increases	1.66%	1.65%

The indicated values are weighted average values. A standard interest rate of 1.10% was applied for the eurozone (previous year: 1.00%).

The 2018 G Heubeck guideline tables were used as mortality tables for Germany. For the UK, the mortality was assumed based on basic table series S2 taking into account life expectancy projections in accordance with CMI2019 with a long-term trend of 1%.

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

↗ T.46 (€ million)

	2021	2020
Effect on present value of pension claims if		
the discount rate were 50 basis points higher	-7.1	-7.3
the discount rate were 50 basis points lower	8.1	8.4

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

The weighted average duration of pension commitments is around 16 years (previous year: around 18 years).

16. OTHER PROVISIONS

↗ **T.47** (€ million)

Provisions for:	2020	Currency adjustments, retransfers	Addition	Utilization	Reversal	2021	2021 Thereof non-current	2020 Thereof non-current
Warranties	**1.3**	0.0	1.3	-0.8	-0.1	**1.7**	0.0	0.0
Purchasing risks	**5.6**	3.0	3.8	-3.3	-2.2	**6.8**	0.0	0.0
Litigation risks	**28.3**	-0.1	9.1	-2.1	-4.2	**31.0**	9.1	10.5
Personnel	**18.7**	0.0	9.0	-8.9	0.0	**18.7**	18.7	18.7
Others	**20.3**	5.5	5.3	-2.2	-1.3	**27.6**	10.1	9.7
Total	**74.2**	**8.4**	**28.5**	**-17.4**	**-7.8**	**85.9**	37.9	38.9

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.

Other provisions comprise in particular provisions in relation with dismantling obligations and other risks.

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 from similar transactions. All events until the preparation of the consolidated financial statements are taken into account here.

17. SHAREHOLDERS' 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 circulating shares:

↗ T.48

	2021	2020
Circulating shares as of January 1, share	**149,583,859**	**149,547,801**
Issue of Treasury Stock	21,741	36,058
Circulating shares as of December 31, share	**149,605,600**	**149,583,859**

The issue of treasury stock relates to compensation payments 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 income of the financial year as well as the income achieved in the past by the companies included in the consolidated financial statements to the extent that it was not distributed.

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 € 78.1 million (previous year: € -87.6 million) is offset by deferred taxes of € -4.1 million (previous year: € 5.1 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, also excluding the shareholders' subscription rights. 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 1,219,040 PUMA shares in its own portfolio, which corresponds to 0.81% of the subscribed capital.

AUTHORIZED CAPITAL

As of December 31, 2021, 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 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 April 12, 2018, the Management Board was authorized until April 11, 2023, 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 options and/or convertible 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 € 1,000,000,000.00.

In this connection, the share capital was increased conditionally by up to € 30,164,920.00 by the issue of up to 30,164,920 new units of registered stock (Conditional Capital 2018). The conditional capital increase will be performed only insofar as use is made of options or conversion rights or a conversion or option obligation is fulfilled or insofar as deliveries are made and if other forms of fulfillment are not used for servicing.

No use has been made of the 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 € 0.72 per circulating share, or a total of € 107.7 million (with respect to the circulating shares as of December 31, 2021), be distributed to the shareholders from the retained earnings of PUMA SE for the financial year 2021.

Proposed appropriation of the retained earnings of PUMA SE:

↗ T.49

	2021	2020
Retained earnings of PUMA SE as of December 31, € million	490.1	390.4
Retained earnings available for distribution, € million	490.1	390.4
Dividend per share, €	0.72	0.16
Number of circulating shares*	149,605,600	149,583,859
Total dividend*, € million	107.7	23.9
Carried forward to the new accounting period*, € million	382.4	366.5

* 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 29.

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 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 of two years (starting with each quarterly publication date for a period of 30 days) which can be freely used by participants for the purposes of execution. The fundamental exercise condition after the vesting period is the existence of an active employment relationship with PUMA for all or part of the vesting period. Virtual shares are reduced on a "pro rata" basis in the event of withdrawal during the vesting period.

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

Virtual shares were granted on an annual basis 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. 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 and the total shareholder return (TSR) relative 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. These mean values calculated for PUMA and for the MDAX index are then positioned in relation to each other in order to calculate the percentage TSR performance over the four-year performance period of each tranche. 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. The fundamental exercise condition after the vesting period is the existence of an active employment relationship with PUMA for all or part of the vesting period. Virtual shares are reduced on a "pro rata" basis in the event of withdrawal during the vesting period.

In the financial year 2021, an expense of € 8.7 million was recorded for this purpose on the basis of the employment contract commitments to the Management Board members.

↗ T.50 VIRTUAL SHARES

Plan	**MUP**	**MUP**	**MUP**	**MUP**	**PSP**	
Issue date	**1/1/2018**	**1/1/2019**	**1/1/2020**	**1/1/2021**	**1/1/2021**	
Term	5	5	5	5	4.25	Years
Vesting period	3	3	3	3	4	Years
Base price PUMA share at issue	37.10	44.40	67.69	86.23	86.23	EUR/share
Reference value PUMA-share at the end of the financial year	106.93	106.93	71.29	35.64	26.73	EUR/share
Participants in year of issue	3	3	3	3	2	Persons
Participants at the end of the financial year	1	3	3	3	2	Persons
Number of monetary units/virtual shares as of 1/1/2021	102,630	97,320	65,993	47,351	7,070	Shares
Number of monetary units/virtual shares exercised in the FY	-100,630	0	0	0	0	Shares
Number of monetary units/virtual shares expired in the FY	0	0	-3,250	0	0	Shares
Final number of monetary units as of 12/31/2021	**2,000**	**97,320**	**62,743**	**47,351**	**7,070**	**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 over the vesting period. Based on the prorated average share price of the last thirty trading days in 2021 and taking into account the intra-year exercise date in 2021, the provisions for this program amounted to € 17.0 million at the end of the financial year.

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 PUMA's financial performance, while the Performance Share Plan gives a reward for its performance 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 net sales, and net 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 subsequent, two-year exercise period, in which the virtual shares are paid out in cash. A payout is only possible at the three exercise times (6, 12 or 18 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 performed if an exercise hurdle of +10% share-price appreciation was exceeded once during the performance period.

EXPLANATION OF THE "GAME CHANGER 2.0 – 2021" PROGRAM

In 2018, the global "Game Changer 2.0 – 2021" program, as outlined above, was launched. The Performance Cash Plan is based on the following targets: EBIT (70%), cash flow (15%) and net 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 year under review, an amount of € 3.7 million 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 of the PUMA Group as of December 31, 2020. No further expenses were incurred and no amounts released for this program in the year under review. No further provision exists for this program.

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 net sales (15%). As part of the Performance Share component, payment is limited to a maximum of 200% of the granted proportionate target amount (cap). It requires employment up to December 31, 2021. In the reporting year, a prorated amount of € 2.2 million was set aside as a provision for this program and € 0.1 million was released.

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 net 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 € 2.2 million was set aside as a provision for this program and € 0.1 million was released.

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 net sales (15%) and net 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 € 2.0 million was set aside as a provision for this program.

↗ T.51 GAME CHANGER 2.0 (PERFORMANCE SHARE PLAN)

Program addendum	2021	2022	2023	2024	
Issue date	1/1/2018	1/1/2019	1/1/2020	1/1/2021	
Term	5	5	5	5	Years
Vesting period	3	3	3	3	Years
Base price at program start	37.10	44.40	67.69	86.23	EUR/share
Reference value at the end of the financial year	74.20	88.80	71.29	35.64	EUR/share
Participants in year of issue	48	64	60	76	Persons
Participants at the end of the financial year	39	55	59	76	Persons
Number of "virtual shares" as of 1/1/2021	36,250	39,240	28,201	24,809	Shares
Number of "virtual shares" expired in the FY	0	-1,715	-1,249	0	Shares
Number of "virtual shares" exercised in the FY	-36,250	0	0	0	Shares
Final number of "virtual shares" as of 12/31/2021	0	37,525	26,952	24,809	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 net sales of the Group are broken down by product divisions and distribution channels as follows:

↗ T.52 BREAKDOWN BY DISTRIBUTION CHANNELS (€ million)

	2021	2020
Wholesale	5,080.6	3,809.9
Retail	1,724.8	1,424.5
Total	**6,805.4**	**5,234.4**

↗ T.53 BREAKDOWN BY PRODUCT DIVISIONS (€ million)

	2021	2020
Footwear	3,163.6	2,367.6
Apparel	2,517.3	1,974.1
Accessories	1,124.5	892.7
Total	**6,805.4**	**5,234.4**

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. Typical operating income that is associated with operating expenses was offset. Rental and lease expenses associated with the Group's own retail stores include turnover-based rental components.

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

↗ **T.54** (€ million)

	2021	2020
Sales and distribution expenses	2,207.4	1,794.0
Product management / merchandising	52.8	46.0
Research and development	61.7	56.6
Administrative and general expenses	405.2	368.7
Other operating expenses	**2,727.2**	**2,265.3**
Other operating income	**2.6**	**0.4**
Total	**2,724.6**	**2,264.9**
Of which personnel expenses	704.3	578.5
Of which scheduled depreciation	287.3	275.7
Of which impairment expenses	18.5	18.0

Within the sales and distribution expenses, marketing/retail expenses account for a large proportion of the operating expenses. In addition to advertising and promotional expenses, they also include expenses associated with the Group's own retail activities. Other sales and distribution expenses include logistics expenses and other variable sales and distribution expenses. Impairment expenses in the reporting year amounted to € 18.5 million and related exclusively to right-of-use assets. In the previous year, impairment expenses for right-of-use assets amounted to € 16.1 million and impairment expenses of € 1.9 million were related to intangible assets.

In the consolidated financial statements of PUMA SE, fees of € 0.9 million (previous year: € 0.8 million) are recorded as operating expenses for the auditor of the consolidated financial statements. The fees are broken down into costs for audit services of € 0.8 million (previous year: € 0.7 million) and other assurance services amounting to € 0.1 million (previous year: € 0.1 million), in particular for EMIR audits and the review of the combined non-financial report as well as for tax consultancy services of less than € 0.1 million (previous year: less than € 0.1 million).

Other operating income comprises income from the sale of fixed assets in the amount of € 2.6 million (previous year: € 0.4 million).

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

↗ T.55 (€ million)

	2021	2020
Wages and salaries	542.0	441.9
Social security contributions	78.6	63.2
Expenses from share-based remuneration with cash compensation	15.1	14.1
Expenses for retirement pension and other personnel expenses	68.6	59.3
Total	**704.3**	**578.5**

In the financial year 2021, the personnel costs presented above include government grants amounting to a figure in the mid-single-digit millions (previous year: low double-digit millions) granted in connection with the global COVID-19 pandemic; this amount was deducted from the corresponding expenses.

In addition, cost of sales includes personnel costs in the amount of € 8.1 million (previous year: € 5.2 million).

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

↗ T.56 EMPLOYEES

	2021	2020
Marketing/ retail/ sales	10,945	9,654
Research & development/ product management	1,097	1,002
Administrative and general units	2,804	2,361
Total annual average	**14,846**	**13,016**

As of the end of the year, a total of 16,125 individuals were employed (previous year: 14,374).

21. FINANCIAL RESULT

The financial result consists of:

↗ **T.57** (€ million)

	2021	2020
Interest income	11.9	8.4
Others	18.0	27.0
Financial income	**29.9**	**35.4**
Interest expense	-12.9	-14.1
Interest expense – Leasing liability	-31.5	-29.3
Valuation of pension plans	-0.5	-0.5
Expenses from currency-conversion differences, net	-9.0	-3.9
Others	-27.7	-34.5
Financial expenses	**-81.7**	**-82.3**
Financial result	**-51.8**	**-46.8**

The item “Others” in financial income exclusively comprises interest components (SWAP points) of € 18.0 million (previous year: € 27.0 million) from financial instruments in connection with currency derivatives.

In addition, expenses from currency conversion differences of € 9.0 million (previous year: € 3.9 million) are included, which are to be allocated to the financing area.

The item “Others” in financial expenses includes interest components (SWAP points) of € 27.7 million (previous year: € 34.5 million) from financial instruments in connection with currency derivatives.

22. INCOME TAXES

↗ **T.58** (€ million)

	2021	2020
Current income taxes		
Germany	13.6	11.0
Other countries	112.3	84.9
Total current income taxes	**125.9**	**95.9**
Deferred taxes	**2.7**	**-56.7**
Total	**128.5**	**39.2**

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.59** (€ million)

	2021	2020
Earnings before income tax	**505.3**	**162.3**
Theoretical tax expense		
Tax rate of the SE = 27.22% (previous year: 27.22%)	137.5	44.2
Tax rate difference with respect to other countries	-15.8	-7.1
Other tax effects:		
Income tax for previous years	0.5	-4.7
Losses and temporary differences for which no tax claims were recognized	2.2	6.8
Changes in tax rates	-2.4	-0.4
Non-deductible expenses for tax purposes and non-taxable income and other effects	6.5	0.4
Effective tax expense	**128.5**	**39.2**
Effective tax rate	25.4%	24.2%

The tax effect resulting from items that are directly credited or debited to equity is shown in chapter 8.

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 average number of circulating shares.

The calculation is shown in the table below:

↗ **T.60**

	2021	2020
Consolidated net earnings € million	**309.6**	**78.9**
Average number of circulating shares	149,588,684	149,561,440
Average number of circulating shares, diluted	149,591,763	149,561,440
Earnings per share in €	2.07	0.53
Earnings per share, diluted in €	2.07	0.53

24. MANAGEMENT OF THE CURRENCY RISK

In the financial year 2021, PUMA designated currency hedges as cash flow hedges in order to hedge the amount payable of purchases denominated in USD, which is 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 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 € 3,730.4 million (previous year: € 3,026.5 million). These underlying transactions are expected to generate cash flows in 2022 and 2023. For further information, please refer to the explanations in chapter 13.

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

↗ **T.61** (€ million)

	2021	2020
Currency hedging contracts, assets (see chapters 6 and 12)	130.1	26.1
Currency hedging contracts, liabilities (see chapters 13 and 14)	-44.5	-135.2
Net	**85.5**	**-109.1**

The changes in effective cash flow hedges are shown in the schedule of changes in shareholders' equity and the statement of comprehensive income.

In order to disclose market risks, IFRS 7 requires sensitivity analyses 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 that is not 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.

Currency sensitivity analyses are based on the following assumptions:

Material non-derivative monetary financial instruments (cash and cash equivalents, receivables, interest-bearing debt, lease liabilities, non-interest-bearing liabilities) are either denominated directly in the functional currency or transferred into the functional currency through the use of currency hedging contracts.

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

If, as of December 31, 2021, the USD had appreciated (devalued) against all other currencies by 10%, the hedge reserve in equity and the fair value of the hedging contracts would have been € 208.6 million higher (lower) (December 31, 2020: € 151.9 million higher (lower)).

Currency risks and other risk and opportunity categories are discussed in greater detail in the Combined Management Report in the Risk and Opportunity Report as well as in chapters 2 and 13 of the Notes to the consolidated financial statements.

ADDITIONAL INFORMATION

25. 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 revenue, 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 and other global functions of the Company headquarters.

The Company's main decision-maker is defined as the entire Management Board of PUMA SE.

With the exception of sales of goods by stichd amounting to € 39.2 million (previous year: € 30.0 million), there are no significant internal sales between the business segments, which are therefore 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. Segment 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 1-12/ 2021

↗ T.62 BUSINESS SEGMENTS (€ million)

	External Sales		EBIT		Investments	
	1-12/2021	1-12/2020	**1-12/2021**	1-12/2020	**1-12/2021**	1-12/2020
Europe	1,523.6	1,229.3	146.1	104.4	58.5	44.7
EEMEA	975.1	688.0	214.6	129.1	34.8	11.8
North America	1,969.2	1,349.5	394.8	160.6	20.1	23.3
Latin America	630.9	403.2	151.6	59.2	14.1	3.3
Greater China	766.9	788.9	137.8	209.6	15.9	17.0
Asia/ Pacific (without Greater China)	533.4	460.0	61.2	33.3	7.3	7.4
stichd	406.2	315.5	101.7	79.0	20.9	3.3
Total business segments	**6,805.4**	**5,234.4**	**1,207.7**	**775.2**	**171.6**	**110.8**

	Depreciation		Inventories		Trade Receivables (3rd)	
	1-12/2021	1-12/2020	**12/31/2021**	12/31/2020	**12/31/2021**	12/31/2020
Europe	54.4	48.3	364.6	343.0	164.3	117.4
EEMEA	43.7	42.5	221.0	176.9	126.2	85.6
North America	56.0	52.1	469.9	260.5	187.1	112.2
Latin America	14.8	14.1	140.3	96.8	120.4	101.5
Greater China	39.4	41.6	200.5	156.3	65.9	56.8
Asia/ Pacific (without Greater China)	32.2	32.6	84.5	89.7	119.5	83.9
stichd	7.8	8.0	79.1	75.4	61.7	47.0
Total business segments	**248.4**	**239.2**	**1,559.8**	**1,198.7**	**845.1**	**604.5**

↗ T.62 CONTINUATION T.62 BUSINESS SEGMENTS (€ million)

	Long-term Assets	
	12/31/2021	12/31/2020
Europe	474.6	421.5
EEMEA	164.8	114.6
North America	534.4	495.1
Latin America	75.0	63.7
Greater China	79.1	86.1
Asia/ Pacific (without Greater China)	158.3	162.2
stichd	194.1	176.8
Total business segments	**1,680.4**	**1,520.1**

↗ T.63 PRODUCT External Sales (€ million) Gross Profit Margin (in %)

	External Sales		Gross Profit Margin	
	1-12/2021	1-12/2020	**1-12/2021**	1-12/2020
Footwear	3,163.6	2,367.6	47.3%	45.7%
Apparel	2,517.3	1,974.1	48.9%	48.5%
Accessories	1,124.5	892.7	47.1%	47.0%
Total	**6,805.4**	**5,234.4**	**47.9%**	**47.0%**

RECONCILIATIONS

↗ T.64 RECONCILIATIONS (€ million)

	EBIT	
	1-12/2021	1-12/2020
Total business segments	**1,207.7**	**775.2**
Central areas	-280.4	-262.3
Central expenses Marketing	-370.2	-303.8
Consolidation	0.0	0.0
EBIT	**557.1**	**209.2**
Financial result	**-51.8**	**-46.8**
EBT	**505.3**	**162.3**

	Investments		Depreciation	
	1-12/2021	1-12/2020	**1-12/2021**	1-12/2020
Total business segments	**171.6**	**110.8**	**248.4**	**239.2**
Central areas	35.9	36.9	39.0	36.5
Consolidation	0.0	0.0	0.0	0.0
Total	**207.5**	**147.7**	**287.3**	**275.7**

	Inventories		Trade Receivables (3rd)		Long-term assets	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020	**12/31/2021**	12/31/2020
Total business segments	**1,559.8**	**1,198.7**	**845.1**	**604.5**	**1,680.4**	**1,520.1**
Not allocated to the business segments	-67.6	-60.7	2.9	16.5	204.4	207.9
Total	**1,492.2**	**1,138.0**	**848.0**	**621.0**	**1,884.8**	**1,728.0**

26. 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, reduced by 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, cheques 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.65 RECONCILIATION OF FINANCIAL LIABILITIES TO THE CASH INFLOW/ OUTFLOW FROM FINANCING ACTIVITIES 2021 (€ million)

			Non-cash changes			
	Notes	**As of Jan. 1, 2021**	Currency changes	Others	**Cash changes**	**As of Dec. 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**

↗ T.66 RECONCILIATION OF FINANCIAL LIABILITIES TO THE CASH INFLOW/ OUTFLOW FROM FINANCING ACTIVITIES 2020 (€ million)

			Non-cash changes			
	Notes	**As of Jan. 1, 2020**	Currency changes	Others	**Cash changes**	**As of Dec. 31, 2020**
Financial liabilities						
Lease liabilities	10	745.3	-60.5	381.8	-135.0	931.7
Current financial liabilities	13	10.2	-1.3	0.0	112.5	121.4
Non-current financial liabilities	13	163.3	0.0	0.0	-18.3	145.0
Total		**918.8**	**-61.7**	**381.8**	**-40.7**	**1,198.1**

The lease liabilities of € 1,023.4 million (previous year: € 931.7 million) are broken down into current lease liabilities of € 172.3 million (previous year: € 156.5 million) and non-current lease liabilities of € 851.0 million (previous year: € 775.2 million).

The non-current financial liabilities of € 311.5 million (previous year: € 145.0 million) are part of the other non-current financial liabilities.

27. CONTINGENCIES

CONTINGENCIES

As in the previous year, there were no reportable contingencies.

28. OTHER FINANCIAL OBLIGATIONS

The Company has other financial obligations associated with license, promotional and advertising agreements, which give rise to the following financial obligations as of the balance sheet date:

↗ **T.67** (€ million)

	2021	2020
From license, promotional and advertising agreements:		
2022 (2021)	301.3	286.1
2023 – 2026 (2022 – 2025)	650.4	617.6
from 2027 (from 2026)	205.4	244.4
Total	**1,157.1**	**1,148.1**

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 € 160.8 million, of which € 129.5 million relate to the years from 2023. These include service agreements of € 157.9 million as well as other obligations of € 2.8 million.

29. COMPENSATION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

Disclosures pursuant to Section 314 (1) No. 6 HGB (German Commercial Code [Handelsgesetzbuch])

COMPENSATION OF THE MEMBERS OF THE MANAGEMENT BOARD

The total compensation paid to the members of the Management Board in the financial year 2021 was € 10.5 million (previous year: € 6.5 million).

For other share-based payments, please refer to chapter 18.

TOTAL COMPENSATION PAID TO FORMER MEMBERS OF THE MANAGEMENT BOARD

The total remuneration of former members of the Management Board and their surviving dependents amounted to € 1.1 million in the financial year 2021 (previous year: € 0.2 million).

In addition, there were defined benefit pension obligations to former members of the Management Board and their widows/widowers amounting to € 2.8 million (previous year: € 3.2 million) as well as defined contribution-based pension obligations from deferred compensation of former members of the Management Board and Managing Directors amounting to € 17.2 million (previous year: € 11.3 million). Both items were recognized as liabilities within pension provisions to the extent they were not offset against asset values 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: € 0.1 million).

30. 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 contractual agreements with these companies respectively provide for PUMA 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 turnover-based license fees and controls the relevant 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) with € 65.2 million (previous year: € 41.5 million).

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

↗ T.68 ASSETS AND LIABILITIES (€ million)

	12/31/2021	12/31/2020
Current assets	105.1	51.9
Non-current assets	3.8	3.5
Current liabilities	39.5	14.6
Non-current liabilities	0.0	0.0
Net assets	69.5	40.8
Net assets attributable to non-controlling interests	65.2	41.5

↗ T.69 INCOME STATEMENT (€ million)

	2021	2020
Sales	422.9	258.0
Net income	67.9	40.1
Profit attributable to non-controlling interests	67.2	44.2
Other comprehensive income of non-controlling interests	4.3	-3.9
Total comprehensive income of non-controlling interests	71.5	40.4
Dividends paid to non-controlling interests	47.8	45.6

↗ T.70 CASH (€ million)

	2021	2020
Net cash from operating activities	52.8	48.4
Net cash used in investing activities	0.0	0.0
Net cash used in financing activities	-52.4	-49.2
Changes in cash and cash equivalents	0.4	-0.8

31. 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 as related companies or persons within the meaning of IAS 24.

As of December 31, 2021, there was one shareholding in PUMA SE that exceeded 10% 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 approximately 4.0% of share capital according to Kering S.A.'s press release from May 27, 2021. Together, Artémis S.A.S. and Kering S.A. hold 32.5% of the share capital. 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 Artémis S.A.S. 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. These include non-controlling interests in particular.

Transactions with related companies and persons largely concern the sale of goods and services. These were concluded under normal market conditions that are also customary with third parties.

The following overview illustrates the scope of the business relationships:

↗ **T.71** (€ million)

	Deliveries and services rendered		Deliveries and services received	
	2021	2020	**2021**	2020
Companies included in the Artémis Group	0.0	0.0	0.0	0.0
Companies included in the Kering Group	1.8	1.7	0.1	0.2
Other related companies and persons	0.0	0.0	23.0	17.1
Total	**1.8**	**1.7**	**23.1**	**17.3**

↗ **T.72** (€ million)

	Net receivables from		Liabilities to	
	2021	2020	**2021**	2020
Companies included in the Artémis Group	0.0	0.0	0.0	0.0
Companies included in the Kering Group	0.4	0.0	0.0	0.0
Other related companies and persons	0.0	0.0	15.0	5.5
Total	**0.4**	**0.0**	**15.0**	**5.5**

In addition, dividend payments of € 47.8 million were made to non-controlling interests in the financial year 2021 (previous year: € 45.6 million).

Receivables from related companies and persons are, with one exception, not subject to value adjustments. Only with respect to the receivables from a non-controlling shareholder and its group of companies were gross receivables in the amount of € 52.2 million adjusted in value for a subsidiary of PUMA SE in Greece as of December 31, 2021 (previous year: € 52.2 million). As in the previous year, no expenses were recorded in this respect in the financial year 2021.

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 2021, the remuneration of the members of the Management Board of PUMA SE for short-term benefits amounted to € 5.4 million (previous year: € 1.8 million), for post-employment benefits to € 0.4 million (previous year: € 0.4 million) and the share-based remuneration to € 4.7 million (previous year: € 4.3 million). Furthermore, no remuneration was granted in the form of other long-term benefits or in the form of termination benefits in the reporting year (previous year: € 0.0 million). Accordingly, the total expense for the financial year 2021 amounts to € 10.5 million (previous year: € 6.5 million).

In the financial year 2021, the remuneration of the members of the Supervisory Board of PUMA SE for short-term benefits amounted to € 0.2 million (previous year: € 0.1 million).

32. CORPORATE GOVERNANCE

In November 2021, 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.

33. 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.

34. DATE OF RELEASE

The Management Board of PUMA SE released the consolidated financial statements on February 1, 2022 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 1, 2022

The Management Board

Gulden Descours Freundt Hinterseher

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.73 CHANGES IN FIXED ASSETS 2020 (€ million)

	Purchase costs						Accumulated depreciation						Carrying amounts	
	Balance 1/1/2020	Currency changes and other changes	Additions/ retransfers	Changes in group of consolidated companies	Disposals	Balance 12/31/2020	Balance 1/1/2020	Currency changes and other changes	Additions/ retransfers[1]	Changes in group of consolidated companies	Disposals	Balance 12/31/2020	Balance 12/31/2020	Balance 12/31/2019
PROPERTY, PLANT AND EQUIPMENT														
Land, land rights and buildings including buildings on third party land	171.3	13.2	6.4		-0.6	190.3	-53.4	0.9	-6.5		0.5	-58.3	131.9	117.9
Technical equipment and machines	21.3	-1.0	0.9		-0.1	21.1	-11.5	0.6	-2.0		0.1	-12.8	8.4	9.8
Other equipment, factory and office equipment	488.7	-18.5	51.8		-27.1	494.9	-313.4	20.1	-72.4		25.3	-340.4	154.6	175.3
Payments on account and assets under construction	91.7	-31.8	53.6		-1.5	112.0							112.0	91.7
	773.1	**-38.1**	**112.7**		**-29.3**	**818.3**	**-378.3**	**21.7**	**-80.9**		**25.9**	**-411.4**	**406.9**	**394.8**

	Purchase costs						Accumulated depreciation						Carrying amounts	
	Balance 1/1/2020	Currency changes and other changes	Additions/ retransfers	Changes in group of consolidated companies	Disposals	Balance 12/31/2020	Balance 1/1/2020	Currency changes and other changes	Additions/ retransfers[1]	Changes in group of consolidated companies	Disposals	Balance 12/31/2020	Balance 12/31/2020	Balance 12/31/2019
RIGHT-OF-USE ASSETS														
Real Estate – Retail stores	509.0	-42.7	84.1		-13.2	537.2	-89.3	10.8	-114.4		10.9	-182.0	355.2	419.6
Real Estate – Warehouses & offices	332.0	-76.2	321.1		-10.4	566.5	-50.3	8.8	-64.3		3.6	-102.2	464.3	281.7
Others (technical equipment and machines and vehicles)	24.8	45.4	6.0		-2.7	73.4	-7.0	-3.2	-7.7		2.6	-15.3	58.1	17.7
	865.7	**-73.4**	**411.2**		**-26.3**	**1,177.2**	**-146.7**	**16.5**	**-186.4**		**17.1**	**-299.6**	**877.6**	**719.0**
INTANGIBLE ASSETS														
Goodwill	294.6	-6.3				288.3	-44.9		-1.9			-46.8	241.4	249.7
Intangible assets with an indefinite useful life	144.2	-10.6				133.6	-17.7					-17.7	115.9	126.5
Other intangible assets	216.1	-3.9	34.8		-6.4	240.6	-137.8	3.0	-24.4		4.7	-154.6	86.1	78.3
	654.9	**-20.8**	**34.8**		**-6.4**	**662.5**	**-200.4**	**3.0**	**-26.3**		**4.7**	**-219.1**	**443.4**	**454.5**

1) In the financial year 2020 there was no impairment on property, plant and equipment (previous year: € 0.0 million, see chapter 9), impairment on right-of-use assets of € 16.1 million (previous year: € 0.0 million, see chapter 10) and impairment on intangible assets of € 1.9 million (previous year: € 0.0 million, see chapter 11).

↗ T.74 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 on property, plant and equipment (previous year: € 0.0 million, see chapter 9), impairment on right-of-use assets of € 18.5 million (previous year: € 16.1 million, see chapter 10) and impairment on intangible assets of € 0.0 million (previous year: € 1.9 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, 2021

MEMBERS OF THE MANAGEMENT BOARD AND THEIR MANDATES

Bjørn Gulden
Chief Executive Officer (CEO)

Membership of other supervisory boards and controlling bodies:

- Salling Group A/S, Brabrand/Denmark (Chair)
- Borussia Dortmund GmbH & Co. KGaA, Dortmund
- Tchibo GmbH, Hamburg

Michael Lämmermann (member until May 31, 2021)
Chief Financial Officer (CFO)

Hubert Hinterseher (member since June 1, 2021)
Chief Financial Officer (CFO)

Anne-Laure Descours
Chief Sourcing Officer (CSO)

Arne Freundt (member since June 1, 2021)
Chief Commercial Officer (CCO)

MEMBERS OF THE SUPERVISORY BOARD AND THEIR MANDATES

Jean-François Palus (member since June 16, 2007)
(Chair)
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:[1]

- Kering Americas, Inc., New York/USA
- Kering Tokyo Investment Ltd., Tokyo/Japan
- Sowind Group S.A., La Chaux-de-Fonds/Switzerland
- Guccio Gucci S.p.A., Florence/Italy
- Gucci America, Inc., New York/USA
- Kering Eyewear S.p.A., Padua/Italy
- Yugen Kaisha Gucci LLC, Tokyo/Japan
- Birdswan Solutions Ltd., Haywards Heath/West Sussex/United Kingdom
- Paintgate Ltd., Haywards Heath/West Sussex/United Kingdom
- Kering Asia Pacific Ltd., Hong-Kong/China

1) All mandates of Mr Palus are mandates within the Kering-Group. Kering S.A. is a listed company. All other companies within the Kering-Group are not listed.

- Kering South East Asia Pte Ltd., Singapore
- Boucheron S.A.S., Paris/France
- Kering Beauté SAS, Paris/France
- Kering Canada Services Inc, Vancouver/Canada
- Vestiaire Collective SA, Paris/France

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

President of Elimexo AB, Falsterbo/Sweden

Membership of other supervisory boards and controlling bodies:

- Elite Hotels AB, Stockholm/Sweden
- Tomas Frick AB, Vellinge/Sweden
- Dofab AB, Malmö/Sweden
- Orrefors Kosta Boda AB, Kosta/Sweden
- Infinitive AB, Malmö/Sweden

Héloïse Temple-Boyer (member since April 18, 2019)
Paris, France

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

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

- Kering S.A., Paris/France
- Giambattista Valli S.A.S., Paris/ France
- Société d'exploitation de l'hebdomadaire le Point S.A., Paris/France
- Royalement Vôtre Editions S.A.S., 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

Fiona May (member 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 (member since July 25, 2011)
(Employees' Representative)

Weisendorf, Germany

Chair of the Works Counsel of PUMA SE

2) All mandates are mandates within the ARTÈMIS-Group. Kering S.A. is a listed company.

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

Bechhofen, Germany

Senior Administrator IT Systems of PUMA SE

SUPERVISORY BOARD COMMITTEES

Personnel Committee
- Jean-François Palus (Chair)
- Fiona May
- Martin Köppel

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

Nominating Committee
- Jean-François Palus (Chair)
- Héloïse Temple-Boyer
- Fiona May

Sustainability Committee (since October 26, 2021)
- 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 2021, 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 1, 2022

The Management Board

Gulden	Descours	Freundt	Hinterseher

Independent Auditor's Report

To PUMA SE, Herzogenaurach/Germany

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of PUMA SE, Herzogenaurach/Germany, and its subsidiaries ("PUMA" or "the Group") which comprise the consolidated statement of financial position as at December 31, 2021, 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, 2021, and the notes to the consolidated financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the combined management report on the parent and the group ("combined management report") of PUMA SE, Herzogenaurach/Germany, for the financial year from January 1 to December 31, 2021. In accordance with the German legal requirements, we have not audited the content of the consolidated corporate governance statement included in the section "Corporate Governance Statement in accordance with Section 289f and Section 315d HGB" of the combined management report.

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 International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2021 and of its financial performance for the financial year from January 1 to December 31, 2021, 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 audit opinion on the combined management report does not cover the content of the consolidated corporate governance statement included in the section "Corporate Governance Statement in accordance with Section 289f and Section 315d HGB" of the combined management report.

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 Audit 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 (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) point (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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

1. Recoverability of goodwill
2. Recoverability of the Cobra brand

Our presentation of these key audit matters has been structured as follows:

a) description (including reference to corresponding information in the consolidated financial statements)

b) auditor's response

1. Recoverability of goodwill

a) The consolidated financial statements of PUMA SE show goodwill in the amount of mEUR 244.7 corresponding to approximately 4.3% of total assets or 10.7% of the group equity.

   Each financial year or in case of signs of impairment, goodwill is subject to impairment tests. The impairment tests are performed by PUMA SE applying the “discounted cash flow method”. The valuations are based on the present values of the future cash flows which are in turn based on the three-year plan (detailed planning horizon) valid at the date of the impairment test. This detailed planning horizon is subsequently extended assuming long-term growth rates. Discounting is performed using the weighted average cost of capital (WACC). Here, the recoverable amount is determined on the basis of the value in use and a possible need for impairment is determined by comparing the value in use with the carrying amount.

   The outcome of this valuation highly depends on the executive directors’ assessment of future cash inflows, the long-term growth rates as well as the WACC rates applied for discounting and therefore involves uncertainties and discretion. Thus, the assessment of the recoverability of the goodwill was classified as a key audit matter within the scope of our audit.

   Information on the goodwill, provided by the executive directors, is disclosed in note 2 “Significant Consolidation, Accounting and Valuation Principles” and in note 11 “Intangible Assets” of the notes to the consolidated financial statements.

b) Within the scope of our risk-based audit approach, we particularly gained an understanding of the systematic approach applied when performing the impairment tests. We satisfied ourselves, that the valuation model used adequately presents the requirements of the relevant standards, whether the necessary input data are completely and accurately determined and taken over and whether the calculations within the model are performed correctly. We assured ourselves of the appropriateness of the future cash inflows used for the computation by particularly reconciling these cash flows with the current three-year plan, as well as by interviewing the executive directors or persons appointed by them with regard to the material assumptions underlying this plan. In addition, we performed a critical assessment of the planning assumptions under consideration of general and industry-specific market expectations.

   Since a material portion of the respective value in use results from the forecast cash inflows for the period after the three-year planning horizon (phase of perpetuity), we in particular performed a critical assessment of the sustainable growth rate used within the perpetuity phase by means of general and industry-specific market expectations. Since relatively low changes of the discount rate used may already have a material effect on the amount of the recoverable amount, we also validated the parameters used for determining the discount rate (WACC = weighted average cost of capital) involving internal experts from the financial advisory sector and reproduced the computation scheme.

   Due to the possibly material significance and taking into account the fact that the valuation of the goodwill also depends on the economic framework conditions that cannot be influenced by the Group, we additionally performed a critical assessment of the sensitivity analyses performed by PUMA SE for the cash-generating units (CGUs) with low headroom (present values compared to the carrying amount) in order to be able to assess a possible impairment risk in case of change of a material valuation assumption.

2. Recoverability of the Cobra brand

a) For the Cobra brand, the consolidated financial statements of PUMA SE disclose a brand value in the amount of mEUR 125.6 with an indefinite useful life, which corresponds to approximately 2.2% of total assets or 5.5% of the group equity.

The Cobra brand is subject to an impairment test conducted annually or in case of a triggering event. The impairment test is conducted by PUMA SE based on the relief from royalty method. According to this approach, the value of a brand results from future royalties that a company would have to pay for the use of the brand if they had to license it. The approach uses forecast revenue generated from the Cobra brand based on the effective three-year plan (detailed planning horizon) valid at the time the impairment test is conducted. This detailed planning horizon is subsequently extended assuming long-term growth rates. Discounting is performed using the weighted average cost of capital (WACC). Here, the recoverable amount is determined on the basis of the value in use and a possible need for impairment is determined by comparing the value in use with the carrying amount. If there are indications of impairment of the brand used by the Group itself, the recoverability of the brand is evaluated by reference to the recoverable amount of the cash-generating unit to which the brand is allocated.

The outcome of this valuation highly depends on the executive directors' assessment of the future revenue generated from the Cobra brand, the royalty rate, the long-term growth rate as well as the WACC rate applied for discounting and therefore involves uncertainties and discretion. Thus, the recoverability of the Cobra brand was classified as key audit matter within the scope of our audit.

Information on the Cobra brand, provided by the executive directors, is disclosed in chapter 2 "Significant consolidation, accounting and valuation principles" and in chapter 11 "Intangible assets" of the notes to the consolidated financial statements.

b) Using our risk-based audit approach, we firstly examined the executive board's system for measuring the Cobra brand value on the basis of the information available to us and in discussions with the executive directors and with persons appointed by them, assessing that there are no indications of impairment of the brand used by the Group itself and that the recoverability of the brand can be evaluated separately by use of the relief-from-royalty method as part of the impairment test. We have followed the methodological procedure for performing the impairment test using the relief-from-royalty method. In this regard, we analyzed whether the valuation model adequately reflects the conceptual requirements of the relevant standards, whether the necessary input data are completely and accurately determined and whether the calculations applied to the model are made correctly. We satisfied ourselves of the appropriateness of the assumed future revenue (Cobra branded sales) on which the computation is based by reconciling these sales particularly with the effective three-year plan as well as by interviewing the executive directors and persons appointed by them with regard to the plausibility of material assumptions underlying this plan. In addition, we performed a critical assessment of the plan under consideration of general and industry-specific market expectations. Since a material portion of the value in use results from the forecast revenue for the period following the three-year plan (phase of perpetuity), we particularly reviewed the sustainable growth rate applied to the perpetuity phase for plausibility by means of general and industry-specific market expectations. As even relatively small changes of the expected royalty rate and the used discount rate may have a material effect on the value in use, we also assessed the parameters involved in the assumed royalty rate and determination of the discount rate involving internal valuation experts from the financial advisory sector and recalculated the computation scheme. Additionally, we critically assessed the used royalty rate using average industry rates based on generally available industry information.

Due to the potential material significance and as the measurement of the brand also depends on general economic conditions that are beyond the Group’s control, we additionally critically assessed the sensitivity analyses concerning the Cobra brand conducted by PUMA SE in order to be able to determine a potential impairment risk in case a material assumption underlying the measurement changes.

Other Information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the consolidated corporate governance statement included in the section “Corporate governance statement in accordance with Section 289f and Section 315d HGB” of the combined management report,
- the separate combined non-financial report to which reference is made in the combined management report and which is expected to be presented to us after the date of this auditor’s report,
- the executive directors’ confirmation regarding the consolidated financial statements and the combined management report pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB, and
- all other parts of the annual report which will be published after the issuance of this auditor’s report,
- but not the consolidated financial statements, not the audited content of the group management report and not our auditor’s report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the statement according to Section 161 German Stock Corporation Act (AktG) concerning the German Corporate Governance Code, which is part of the consolidated corporate governance statement in section “Corporate Governance Statement in accordance with Section 289f and Section 315d HGB” of the combined management report. Otherwise, the executive directors are responsible for the other information.

Our audit 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 audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited content of the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS 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 executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are 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 executive directors are 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 executive directors are 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 audit 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 audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one 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 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 audit opinion on the effectiveness of these systems.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive directors' 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 audit 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 IFRS as adopted by the EU and with 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 audit 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 audit 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 executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors 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 audit 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 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 related safeguards.

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 for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the provided file, which has the SHA-256 value 6682208690E515B6958422383E9C78A7F585F6F7D64E36E2C2DCC02B864AC646, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the combined management report prepared for publication contained in the provided file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the financial year from January 1 to December 31, 2021 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the consolidated financial statements and of the combined management report contained in the provided file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (10.2021)). Our responsibilities in this context are further described in the "Group Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the parent are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the parent are responsible for such internal controls 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 for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Audit of the ESEF Documents

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 audit. 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 audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit 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 provided file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the reporting date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited consolidated financial statements and to 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, in the version in force at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as Group auditor by the annual general meeting on May 5, 2021. We were engaged by the supervisory board on May 26, 2021. We have been the Group auditor of PUMA SE, Herzogenaurach/Germany, without interruption since the financial year 2012.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as with the audited ESEF documents. The consolidated financial statements and the combined management report converted into the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic reproductions 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 audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Dr Thomas Reitmayr.

Munich/Germany, February 2, 2022

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Dr Thomas Reitmayr	Stefan Otto
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

REPORT BY THE SUPERVISORY BOARD

DEAR SHAREHOLDERS,

The 2021 financial year was again heavily impacted by the COVID 19 pandemic. Despite the associated uncertainties, supply chain bottlenecks due to container shortages, port congestion and pandemic-related factory closures in key sourcing regions, as well as political tensions in key markets, we managed to start 2021 with high growth momentum. Due to the continued decisive and consistent actions of our Management Board and the outstanding performance of our employees, we were able to maintain our market momentum and operational flexibility throughout the year. As a result, we were able to raise our outlook for 2021 during the year and end the year with the highest sales and profit in PUMA's history. At the same time, it was of utmost importance for us to protect the safety and health of our employees in the best possible way through the resolute development and implementation of hygiene and occupational safety concepts and the implementation of vaccination campaigns. We were once again a flexible and reliable business partner for our suppliers and customers. We worked as closely as possible with them to stabilize our supply chains and increase sales of our products. By appointing Hubert Hinterseher and Arne Freundt to the Management Board, we were able to further strengthen our organization and thus lay the foundations for a successful 2022.

In the financial year 2021, the Supervisory Board has exercised all its duties under the law, statutes and company rules. The Supervisory Board has dealt extensively with the status and the development of PUMA, particularly continuing with a special focus on the COVID-19 pandemic, and has regularly advised and supervised the Management Board in its management of the Company.

In this regard, the Supervisory Board has in its four regular meetings discussed and resolved on the Company's business policies, all relevant aspects of corporate development and corporate planning, the Company's economic situation, including its net assets, financial position and results of operations, the adequacy of capital resources and all key decisions for the Group. The Management Board has informed the

Supervisory Board regularly, comprehensively, and in a timely manner in written and verbal form about the implementation of all decisions and about all major business transactions. Furthermore, in 2021 one extraordinary meeting of the Supervisory Board took place. Urgent matters were decided via circular resolutions using electronic means of communication. All members participated in drawing up the resolutions. Whenever necessary, representatives of the shareholders and employees held separate preliminary discussions prior to the meetings.

Plenary Supervisory Board	**Attendance at meetings (referring to regular and extraordinary meetings)**	**Attendance in %**
Jean-François Palus	5/5	100
Thore Ohlsson	5/5	100
Héloïse Temple-Boyer	5/5	100
Fiona May	5/5	100
Martin Köppel	5/5	100
Bernd Illig	5/5	100

The Supervisory Board discussed in detail all of the Company's key business transactions, based on the reports by the Management Board and the Committees, and presented its own ideas. The Management Board has provided the Supervisory Board with detailed information on any deviations of the business performance from the budgeted figures, both in writing and orally. The Supervisory Board verified these explanations using the supporting documents, which were always submitted in appropriate time before the meetings. The Supervisory Board was involved in all key decisions at an early stage. In addition, the Chair of the Supervisory Board maintained, and continues to maintain, regular verbal or written contact with the CEO and keeps himself informed of all major developments. Overall, these discussions did not give any indication that the Management Board was managing the Group in anything other than a lawful and proper manner.

The Supervisory Board members took part, on their own initiative, in the educational and training measures necessary for the performance of their duties. The Company supports the Supervisory Board members in their training activities, for example by having the Legal Department regularly review changes in the legal framework for the Supervisory Board and report about them in the meetings. In 2021, the Supervisory Board received a training on the sustainability strategy of the Company and the challenges in the supply chain. The Supervisory Board dealt with the Act on Corporate Due Diligence in Supply Chains (Supply Chain Due Diligence Act) and the EU Regulation on the Establishment of a Framework to Facilitate Sustainable Investment (EU Taxonomy Regulation).

MAIN ADVISORY FOCUS

In the 2021 financial year, the main focus was on the following issues: review and approval of the 2020 consolidated and annual financial statements and the non-financial report, dividend proposal, resolution of the new remuneration system for the Management Board and submission to the 2021 Annual General Meeting for approval, ongoing assessment of the impact and handling of the COVID 19 pandemic, setting the agenda for the Annual General Meeting on 5 May 2021, approval of the Management Board's decisions to hold the Annual General Meeting as a virtual Annual General Meeting without the physical presence of shareholders or their proxies, appointment of Hubert Hinterseher to the Management Board to succeed Michael Lämmermann and appointment of Arne Freundt to the Management Board, establishment of a Sustainability Committee, setting of new targets for the proportion of women to be achieved on the Supervisory Board and Management Board, self-assessment of the Supervisory Board, current business and revenue development, markets and trends, financial position of the Group, corporate and budget planning 2022 as well as medium-term planning, including investments, further improvement of the compliance management and internal control system as well as material litigation in the Group.

The Audit Committee submitted a recommendation to the Supervisory Board for the election of the auditor, which was prepared following a selection process within the meaning of Art. 16 (3) Regulation (EU) No. 537/2014, comprised two candidates and was substantiated.

As every year, the Personnel Committee and the Supervisory Board determined the degree of achievement of the targets for the individual Management Board members with regard to 2020. The Supervisory Board decided on the targets for the variable Management Board remuneration for the 2021 financial year upon recommendation of the Personnel Committee.

CONFLICTS OF INTEREST

The members of the Supervisory Board are required to disclose to its Chair any conflicts of interest without undue delay. In the past year, no such disclosures were made.

COMMITTEES

The Supervisory Board has established four committees to perform its duties: The Personnel Committee, the Audit Committee, the Nominating Committee and the Sustainability Committee which was established in April 2021. The Personnel Committee, the Audit Committee and the Sustainability Committee each comprise two shareholder representatives and one employee representative. The Nominating Committee is composed only of shareholder representatives. The composition of the committees can be found in the notes to the consolidated financial statements. The Supervisory Board receives regular reports on their work.

PERSONNEL COMMITTEE

The Personnel Committee has the task of preparing the conclusion and amendment of employment contracts with the members of the Management Board and establishing policies for human resources and personnel development. It met to one regular meeting and to one extraordinary meeting in 2021 and mainly dealt with the compensation system for the Management Board, which has been approved by the Annual General Meeting in 2021. Furthermore, the determination of target achievement for the individual Management Board members and the setting of targets for 2021 were the focus of the discussions. Corresponding recommendations for resolutions were made to the Supervisory Board.

Personnel Committee	Attendance at meetings	Attendance in %
Jean-François Palus	2/2	100
Fiona May	2/2	100
Martin Köppel	2/2	100

AUDIT COMMITTEE

The Audit Committee held four regular meetings in the financial year 2021. Furthermore, one extraordinary meeting of the Audit Committee took place in 2021. In particular, the Audit Committee is responsible for the review of the accounting, particularly comprising the consolidated financial statements and the group management report, group half year report, interim financial information and the single entity financial statements in accordance with the German Commercial Code (HGB). It is furthermore responsible for monitoring the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, compliance and the statutory audit of the financial statements, with particular regard to the process of selecting an auditor. The Audit Committee is also responsible for conducting the selection process of the auditor. In addition, the Audit Committee monitors the independence of the auditor and ensures that the non-audit services of the auditor commissioned by the Management Board do not give rise to any grounds for disqualification or partiality or any threat to independence. The Audit Committee issues the audit mandate on behalf of the Supervisory Board to the auditor elected by the general meeting, determines the audit areas of the audit and agrees the fee with the auditor. Heads of the corporate functions were also available for reports and questions on individual agenda items at the committee meetings. The Audit Committee meets regularly with the auditor, also without the Management Board.

Audit Committee	Attendance at meetings (referring to regular and extraordinary meetings)	Attendance in %
Thore Ohlsson	5/5	100
Héloïse Temple-Boyer	5/5	100
Bernd Illig	5/5	100

NOMINATING COMMITTEE

The Nominating Committee has the task of proposing suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting. It held no meeting in the last financial year.

SUSTAINABILITY COMMITTEE

The Sustainability Committee was established in April 2021 and met once in the 2021 financial year to discuss the company's sustainability strategies. The Sustainability Committee consists of three members.

CORPORATE GOVERNANCE

As in previous years, the Supervisory Board addressed current developments in the financial year 2021 regarding the German Corporate Governance Code in the version dated December 16, 2019 (effective as of March 20, 2020) (GCGC). The GCGC contains essential statutory regulations and recommendations for the management and supervision of listed companies and standards for responsible corporate governance. The corporate governance standards have long been a part of the corporate routine.

Pursuant to Principle 22 of the GCGC, the Supervisory Board reports on corporate governance in the Corporate Governance Statement. The Company satisfies all requirements of the GCGC, to the extent required by it. The Statement of Compliance of November 9, 2021 is available to our shareholders at any time on the Company's website under https://about.PUMA.com/en/investor-relations/corporate-governance at STATEMENT OF COMPLIANCE.

ANNUAL FINANCIAL STATEMENTS ADOPTED

The annual financial statements for PUMA SE prepared by the Management Board in accordance with the German Commercial Code (Handelsgesetzbuch/HGB), the consolidated financial statements and the combined management report for PUMA SE and the PUMA Group, each for the financial year 2021, prepared in accordance with Section 315a HGB on the basis of the International Financial Reporting Standards (IFRS) have been audited by the statutory auditors, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Munich, who were appointed at the Annual General Meeting on May 5, 2021 and commissioned by the Supervisory Board to audit the annual financial statements and the consolidated financial statements and have been given an unqualified auditor's opinion.

In their report, the statutory auditors conclude that PUMA's institutionalized risk management system, in accordance with Section 91(2) of the German Stock Corporation Act (Aktiengesetz/AktG), is capable of detecting at an early stage and countering any developments that might jeopardize the continuity of the Company as a going concern. The Supervisory Board has been updated by the Management Board regularly on all relevant risks in this regard, in particular its assessments of market and procurement risks, financial risks (including currency risks as well as risks due to the COVID-19 pandemic) and organizational risks.

The accounting records, the audit reports from the statutory auditors and the Management Board's and Supervisory Board's recommendation on the appropriation of net profit were made available to all members of the Supervisory Board in a timely manner. At the meeting of the Audit Committee on February 22, 2022 and at the subsequent Supervisory Board meeting held on the same day, the statutory auditors reported on the key results of their audit and discussed them in detail with the Management Board and the members of the Supervisory Board. No discrepancies were detected.

The Supervisory Board reviewed in detail the annual financial statements, the combined management report for PUMA SE and the PUMA Group, the Management Board's and the Supervisory Board's recommendation on the appropriation of net profit and the consolidated financial statements and raised no objections. In accordance with the recommendation of the Audit Committee, the Supervisory Board agreed with the results of the audit of both statements and approved the annual financial statements of PUMA SE and the consolidated financial statements for the financial year 2021. The 2021 annual financial statements have thus been adopted.

The Management Board and the Supervisory Board resolved to propose to the Annual General Meeting a distribution of a dividend of € 0.72 per dividend entitled share to the shareholders for the financial year 2021. In this context, the liquidity situation of the Company, the financing and the effects on the capital market were discussed. The payout is conditional to an overall sound macroeconomic environment. A total amount of around € 107.7 million will be paid out in dividends from PUMA SE's retained earnings. The remaining retained earnings of around € 382.4 million will be carried forward.

In its meeting on February 22, 2022, the Supervisory Board was presented the state of data collection for the non-financial report in accordance with §§ 315c in conjunction with §§ 289c to 289e of the German Commercial Code (HGB). As soon as the non-financial report is finalized, it will be submitted to the Supervisory Board for approval and will be published on the website of the Company by April 30, 2022.

THANKS

We would like to express our gratitude and recognition to the Management Board, the management teams at the Group companies, the Works Council and all our employees for their hard work and their outstanding cooperation in 2021.

Herzogenaurach, February 22, 2022

On behalf of the Supervisory Board

Jean-François Palus
Chairman