COMBINED MANAGEMENT REPORT OF PUMA SE FOR THE FINANCIAL YEAR 2023

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

NITRO

Notes relating to forward-looking statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PUMA GROUP ESSENTIAL INFORMATION

COMMERCIAL ACTIVITIES AND ORGANISATIONAL STRUCTURE

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

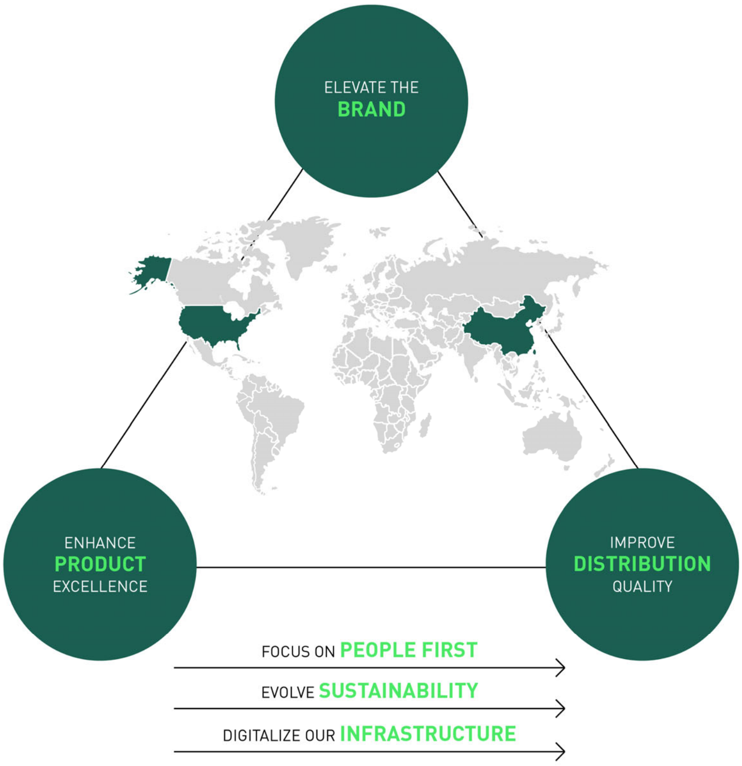
Our revenues are derived in particular from the sale of products from the PUMA and Cobra Golf brands via the wholesale and retail trade, as well as from sales directly to consumers in our own retail stores and online stores. We market and distribute our products worldwide primarily via our own subsidiaries.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

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

TARGETS AND STRATEGY

PUMA started 2023 by sharpening its strategic priorities.

↗ G.01 STRATEGIC PRIORITIES



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

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

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

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

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

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

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

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

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

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

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

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

PRODUCT DEVELOPMENT AND DESIGN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SOURCING

THE SOURCING ORGANISATION

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

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

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

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

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

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

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

THE SOURCING MARKETS

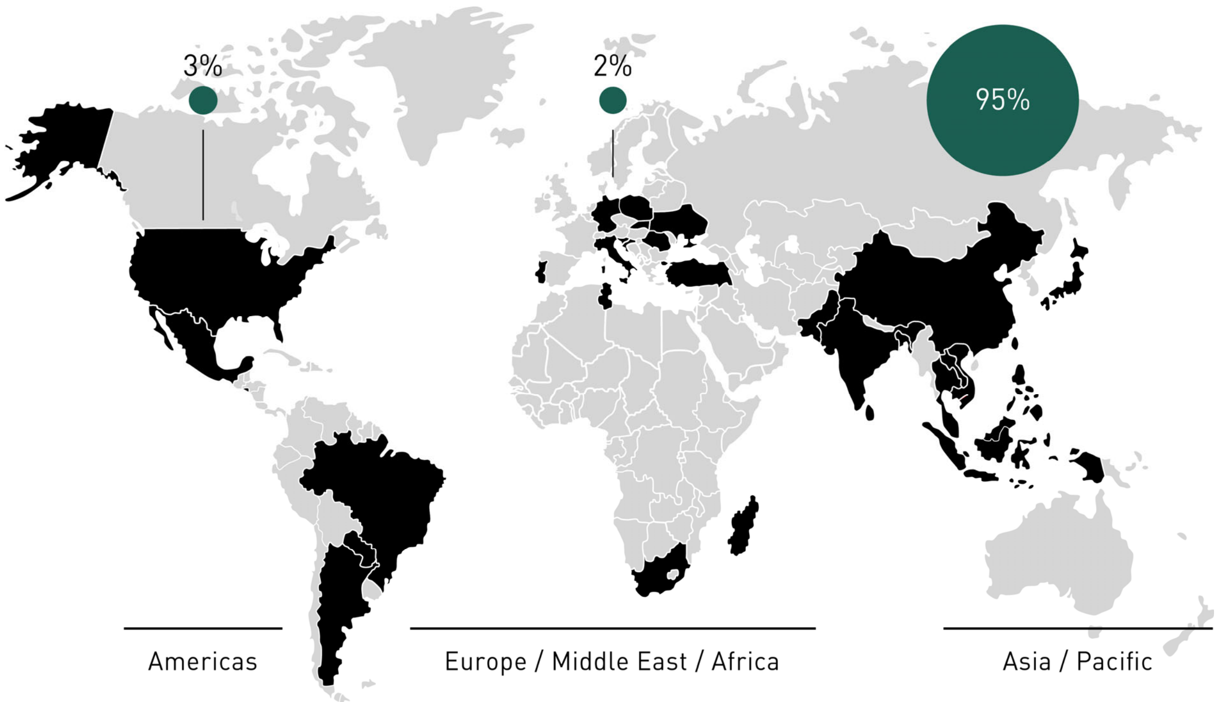
During the financial year 2023, PIT purchased from 158 independent suppliers (previous year: 141) in 29 countries worldwide. The strategic cooperation with long-term partners continues to be one of our key competitive advantages and was crucial in navigating through ongoing supply chain challenges of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

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

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

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

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

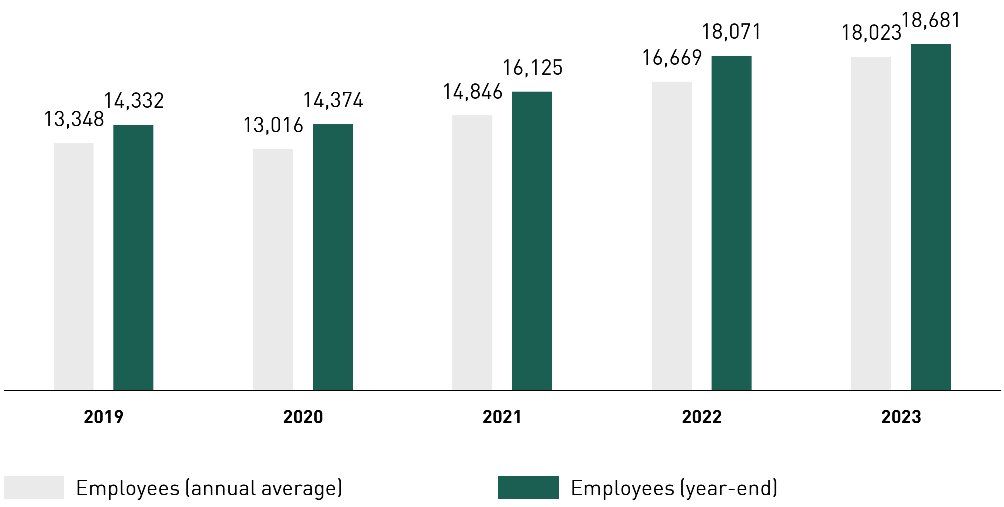


EMPLOYEES

NUMBER OF EMPLOYEES

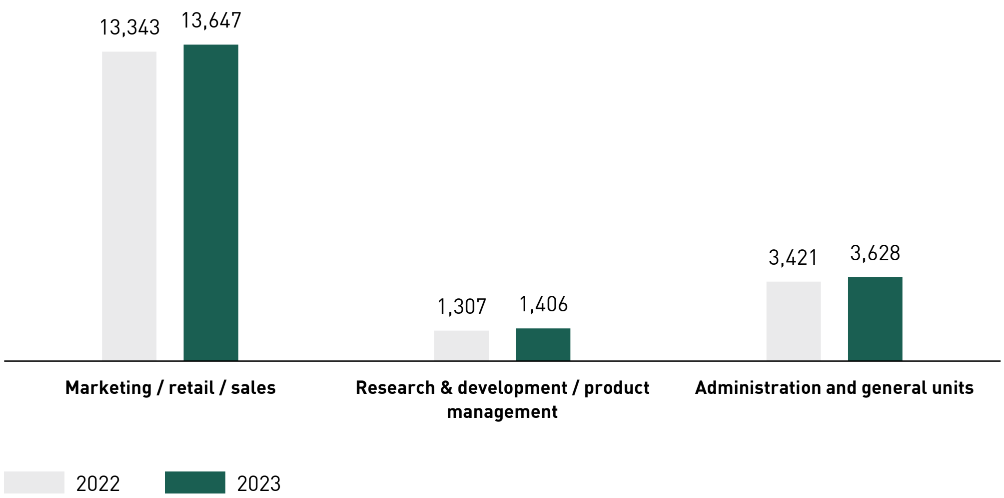
The global number of employees on a yearly average was 18,023 in 2023, compared to 16,669 in the previous year. Personnel expenses increased by a total of 6.4% from € 846.5 million to € 900.6 million in 2023. On average, personnel expenses per employee amounted to € 50.0 thousand, compared to € 50.8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

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



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

↗ **G.04 EMPLOYEES** (year-end)



TALENT RECRUITMENT AND DEVELOPMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our "Speed Up" and "Speed Up^2" development programmes are aimed at employees across different levels of the organisation. These programmes help to fully prepare employees for the next stage of their career, covering interdisciplinary projects and deployments, targeted training, mentoring, coaching and job rotations. They are designed to actively promote selected top talent. Another essential aspect of these programmes is increasing the visibility of participants through to the highest level of management, promoting multi-disciplinary cooperation and developing a strong professional network.

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

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

WORKS COUNCIL

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

COMPENSATION

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

MANAGEMENT SYSTEM

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

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

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

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

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

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

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

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

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

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

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

INFORMATION REGARDING THE NON-FINANCIAL REPORT

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

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

ECONOMIC REPORT

GENERAL ECONOMIC CONDITIONS

GLOBAL ECONOMY

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

SPORTING GOODS INDUSTRY

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

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

SALES DEVELOPMENT

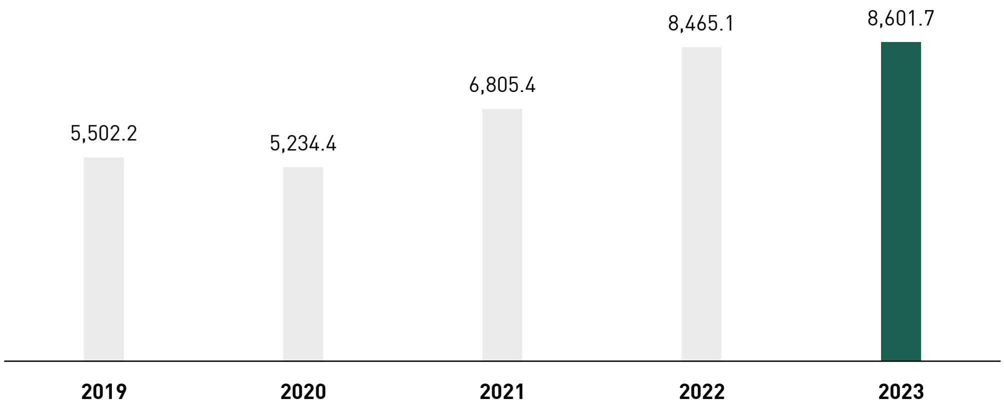
ILLUSTRATION OF SALES DEVELOPMENT IN 2023 COMPARED TO THE OUTLOOK

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

SALES

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

↗ **G.05 SALES** (€ million)

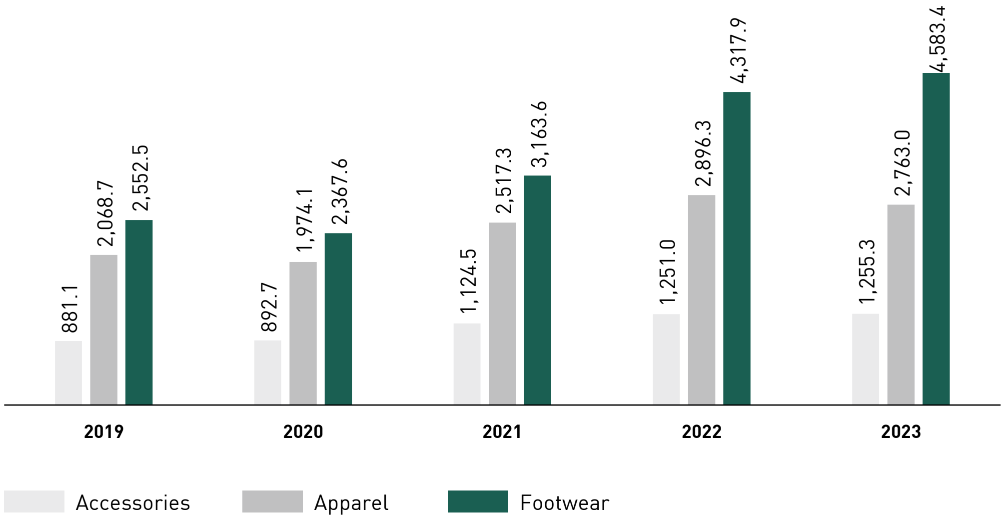


In the **footwear** division, sales increased in the reporting currency, the euro, by 6.1% to € 4,583.4 million. Currency-adjusted sales increased by 12.4%. The footwear division continued to be the growth driver and the strongest growth was achieved in the Sportstyle, Teamsport and Basketball categories.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

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

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

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

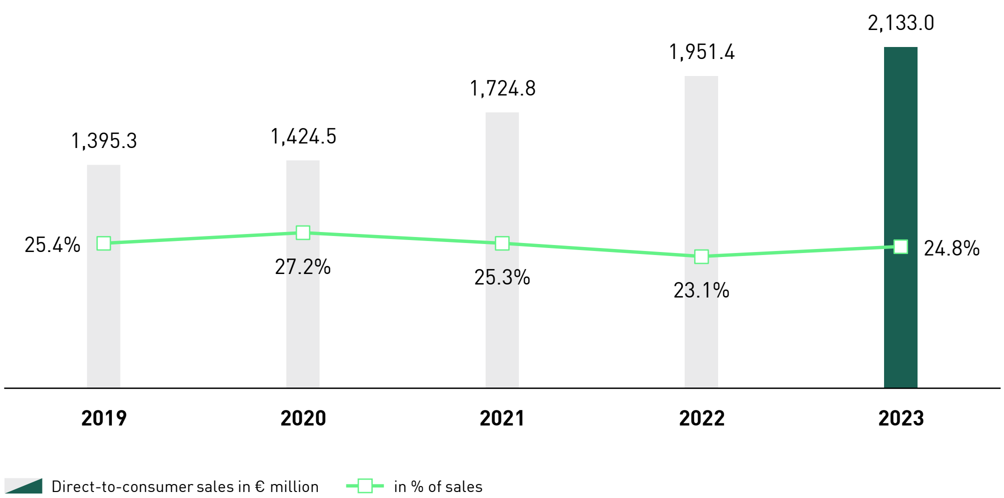


OWN RETAIL ACTIVITIES

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

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

↗ G.07 DIRECT-TO-CONSUMER SALES



LICENSING BUSINESS

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

REGIONAL DEVELOPMENT

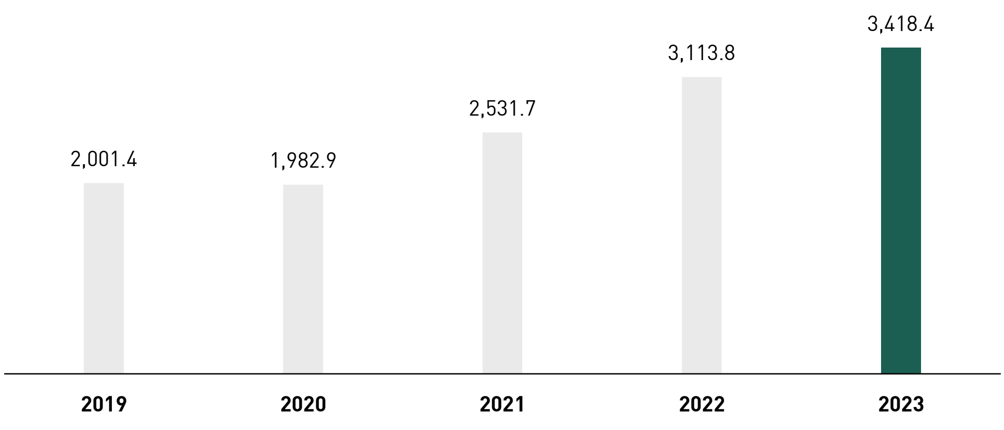
In the following explanation of the regional development of sales, the sales are allocated to the customers' actual region ("customer site"). It is divided into three geographical regions (EMEA, Americas and Asia/Pacific).

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

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

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

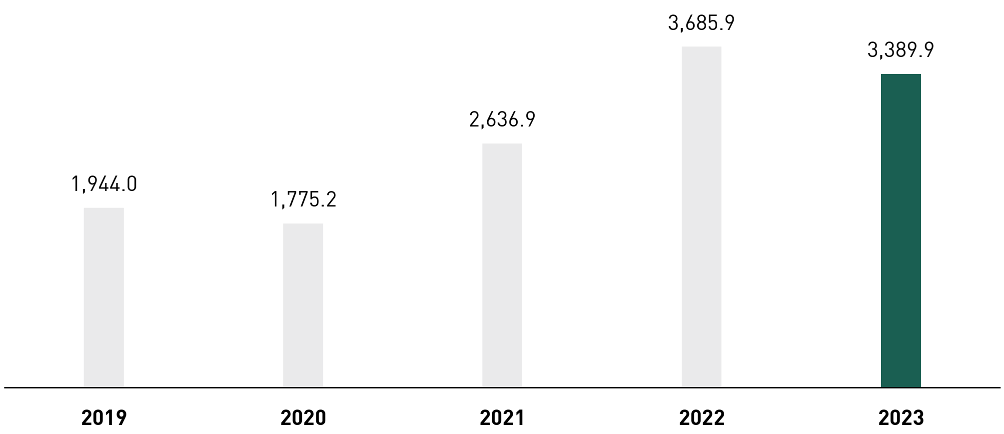
↗ **G.08 EMEA SALES** (€ million)



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

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

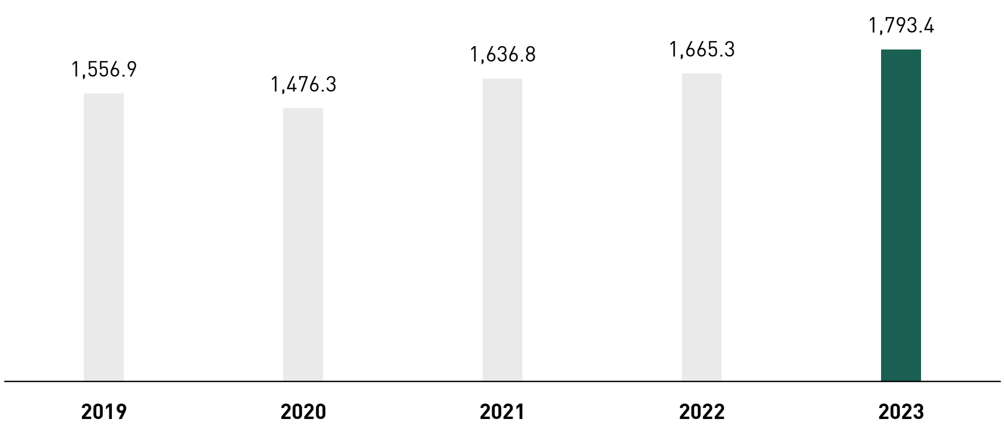
↗ **G.09 AMERICAS SALES** (€ million)



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

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

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



RESULTS OF OPERATIONS

↗ T.01 INCOME STATEMENT

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

ILLUSTRATION OF EARNINGS DEVELOPMENT IN 2023 COMPARED TO THE OUTLOOK

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

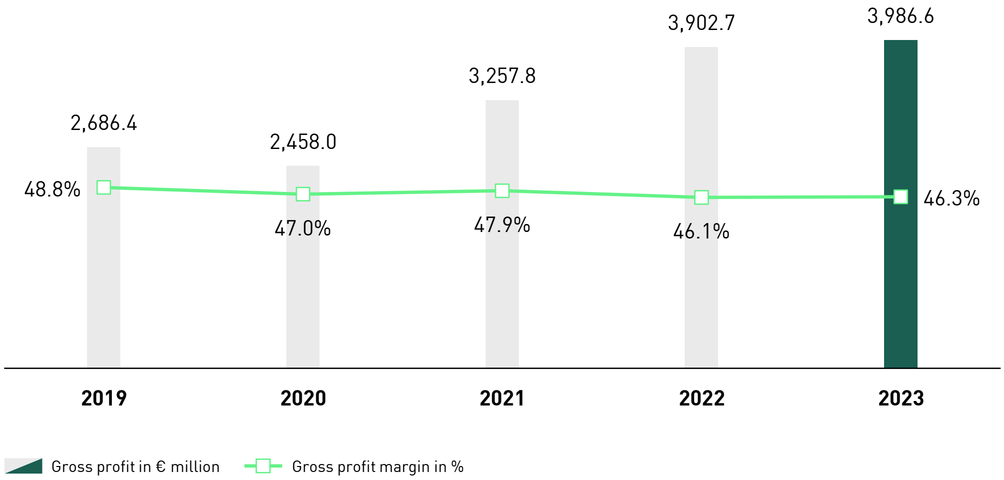
More details on earnings development in the financial year under review are provided below.

GROSS PROFIT MARGIN

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

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

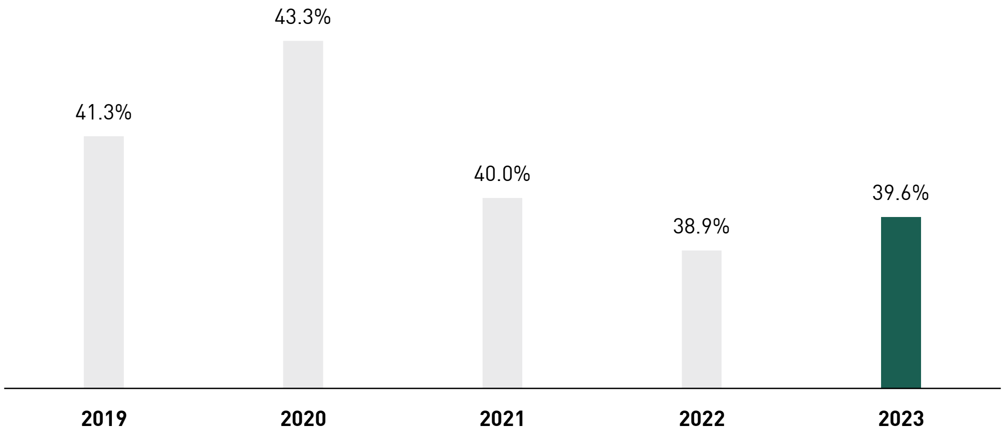
↗ G.11 GROSS PROFIT/GROSS PROFIT MARGIN



OTHER OPERATING INCOME AND EXPENSES

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

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



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

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

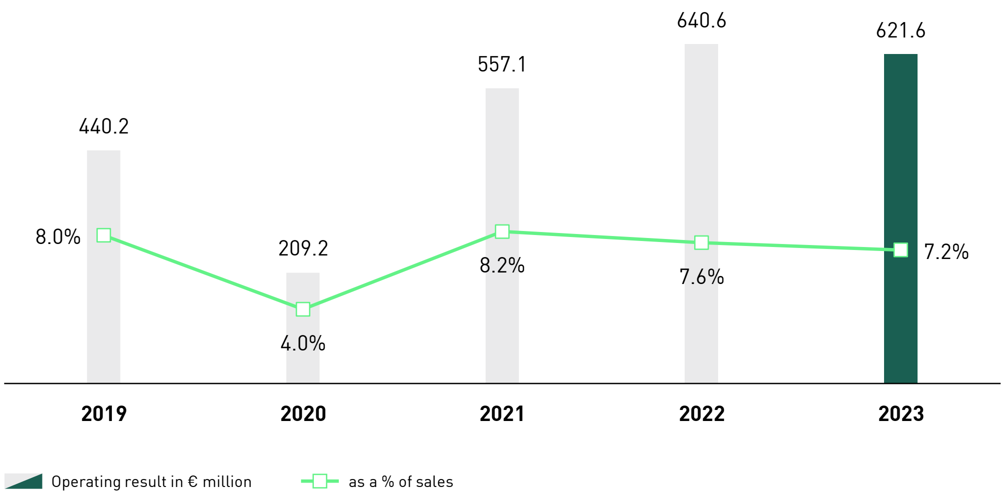
RESULT BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA)

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

OPERATING RESULT (EBIT)

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

↗ G.13 OPERATING RESULT



FINANCIAL RESULT

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

EARNINGS BEFORE TAXES (EBT)

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

NET EARNINGS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

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

CONSOLIDATED NET INCOME

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

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

DEVELOPMENT OF THE SEGMENTS

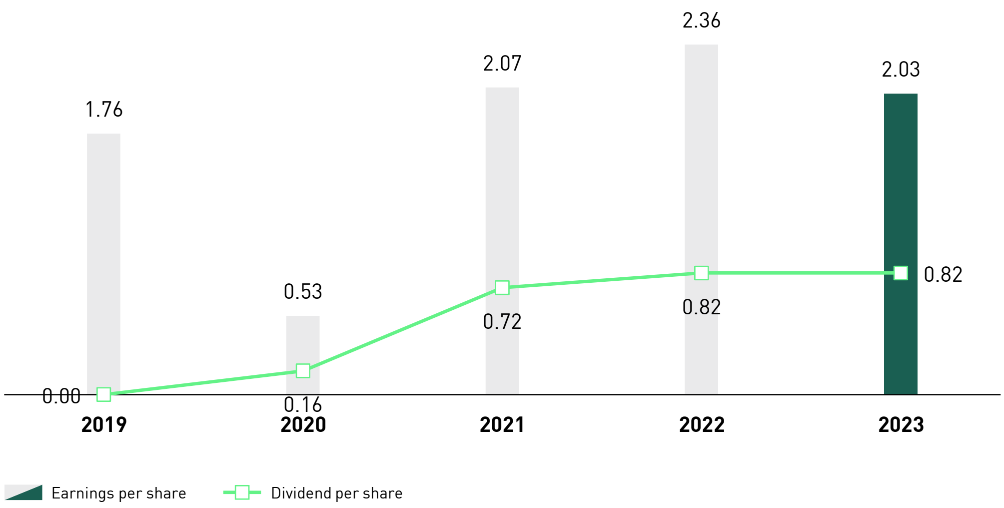
Internal management of the PUMA Group is carried out across seven segments (Europe, EEMEA, North America, Latin America, Greater China, Asia/Pacific (excluding Greater China) and stichd), based on the registered office of the respective subsidiaries. The differences from the presented regional development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

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

DIVIDENDS

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

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



NET ASSETS AND FINANCIAL POSITION

↗ T.02 BALANCE SHEET

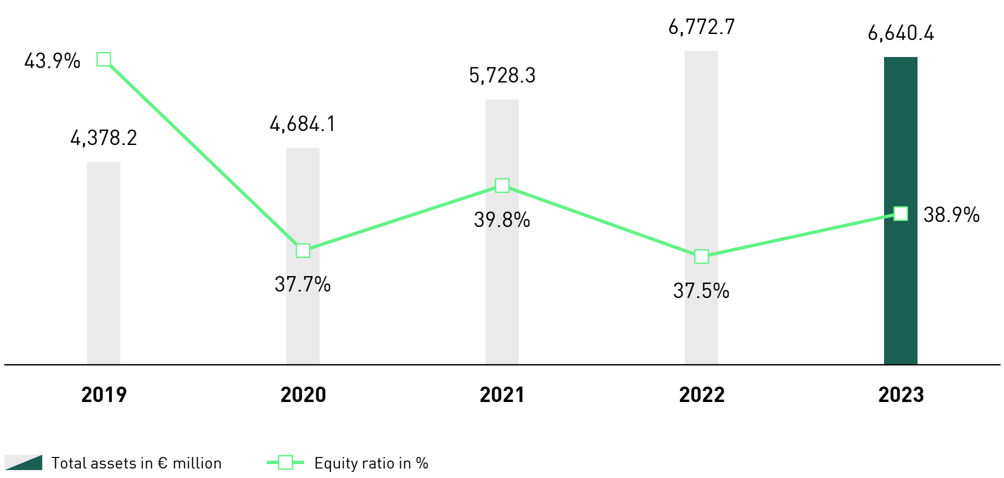
	31 Dec. 2023		31 Dec. 2022		
	€ million	**%**	**€ million**	**%**	**+/-%**
Cash and cash equivalents	552.9	8.3%	463.1	6.8%	19.4%
Inventories *	1,804.4	27.2%	2,245.1	33.1%	-19.6%
Trade receivables *	1,118.4	16.8%	1,064.9	15.7%	5.0%
Other current assets *	385.6	5.8%	304.1	4.5%	26.8%
Other current assets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

* included in working capital

EQUITY RATIO

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

G.15 BALANCE SHEET TOTAL/EQUITY RATIO



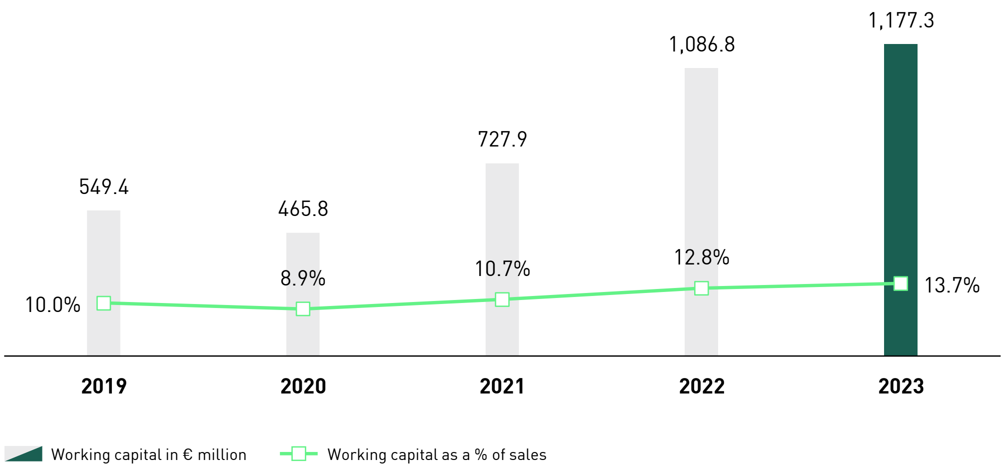
WORKING CAPITAL

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

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

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

↗ G.16 WORKING CAPITAL



OTHER ASSETS AND OTHER LIABILITIES

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

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

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

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

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

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

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

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

CASH FLOW

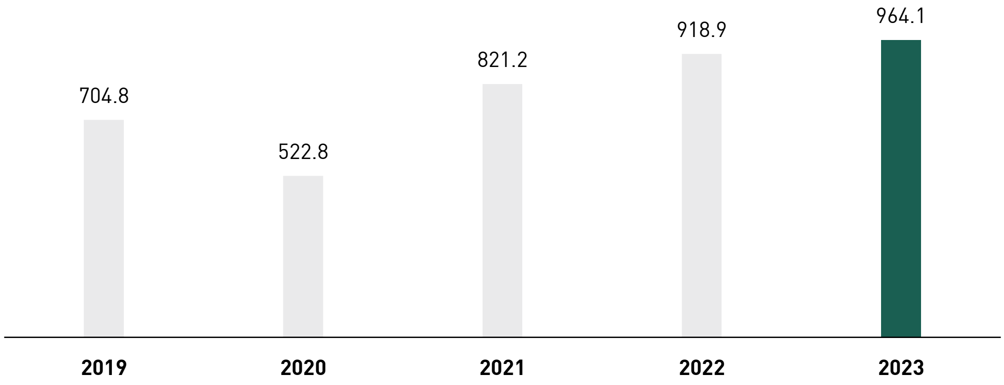
↗ T.03 CASH FLOW STATEMENT

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

NET CASH FROM OPERATING ACTIVITIES

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

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



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

NET CASH USED IN INVESTING ACTIVITIES

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

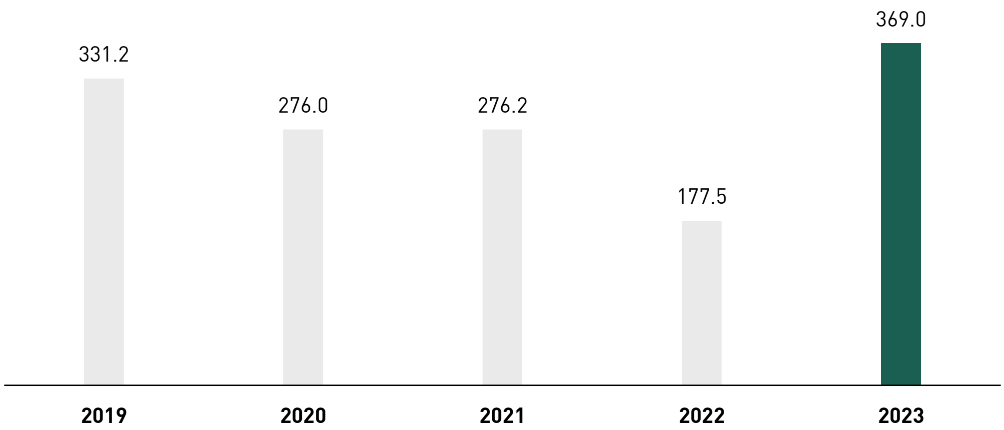
* Net current assets include working capital line items plus current assets and liabilities, which are not part of the working capital calculation. Current lease liabilities are not part of the net current assets.

FREE CASH FLOW BEFORE ACQUISITIONS

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

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

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



NET CASH USED IN FINANCING ACTIVITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

RESULTS OF OPERATIONS

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

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

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

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

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

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

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

NET ASSETS

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

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

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

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

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

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

FINANCIAL POSITION

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

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

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

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

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

OUTLOOK

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

INFORMATION CONCERNING TAKEOVERS

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

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

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

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

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

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

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

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

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

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

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

CONDITIONAL CAPITAL

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

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

No use has been made of this authorisation to date.

AUTHORISATION TO ACQUIRE TREASURY SHARES

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

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

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

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

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

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

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

RISK AND OPPORTUNITY REPORT

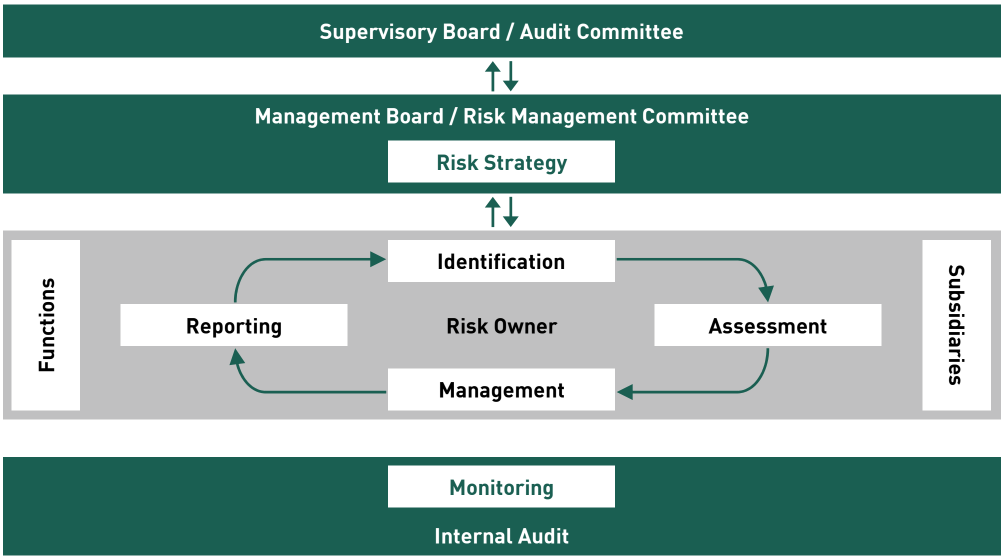
PUMA is continuously exposed to opportunities and risks in the competitive, fast-paced and international sport and lifestyle industry. The risk strategy is therefore to take business risks in a calculated manner in order to implement the corporate strategy with all its opportunities. For this purpose,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

RISK MANAGEMENT SYSTEM

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

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

G.19 RISK MANAGEMENT SYSTEM

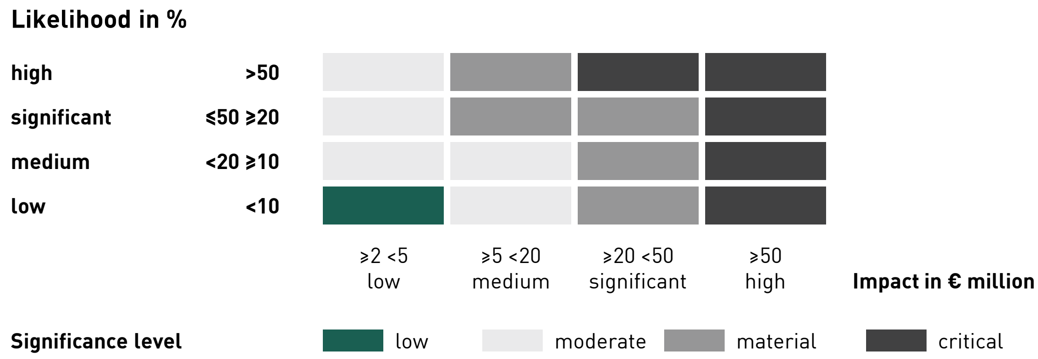


The risk owners are mainly the managers of the functional areas and the managing directors of the subsidiaries. Risks are identified company-wide by performing a bottom-up analysis within the risk owner's area of responsibility. These risks are regularly reported to the risk management function and/or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

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

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

↗ G.20 RISK MATRIX



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

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

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

RISKS

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

MACROECONOMIC DEVELOPMENTS

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

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

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

BUSINESS PARTNERS

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

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

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

CURRENCY RISKS

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

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

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

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

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

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

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

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

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

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

PANDEMIC

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

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

PRODUCT & MARKET ENVIRONMENT

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

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

PROJECTS

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

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

INFORMATION TECHNOLOGY

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

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

DISTRIBUTION STRUCTURE

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

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

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

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

SUSTAINABILITY

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

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

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

MONITORING OF WORKING CONDITIONS

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

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

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

LEGAL

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

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

COMPLIANCE

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

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

TAX

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

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

PERSONNEL DEPARTMENT

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

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

LIQUIDITY AND INTEREST RATE RISKS

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

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

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

DEFAULT RISKS

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

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

RISK OVERVIEW TABLE

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

↗ T.07 OVERVIEW OF RISK GROUPS

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

OPPORTUNITIES

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

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

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

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

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

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

OVERALL ASSESSMENT OF THE RISK AND OPPORTUNITY SITUATION

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

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

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

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

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

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

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

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

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

INTERNAL CONTROL SYSTEM

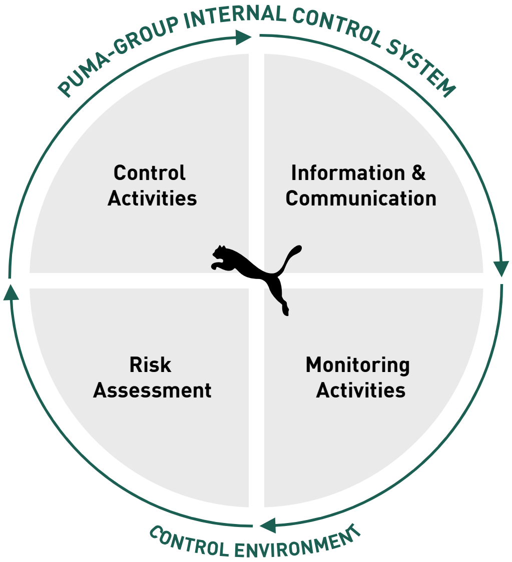
PUMA's internal control system applies to all employees throughout the Group as it incorporates the principles, procedures and measures established by PUMA Group management. All essential business processes that support the organisational implementation of management decisions must be taken into account.

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

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

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

↗ G.21 INTERNAL CONTROL SYSTEM



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

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

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

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

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

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

OUTLOOK REPORT

GLOBAL ECONOMY

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

SPORTING GOODS INDUSTRY

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

OUTLOOK 2024

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

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

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

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

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

INVESTMENTS

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

FOUNDATION FOR LONG-TERM GROWTH

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

Herzogenaurach, 7 February 2024

The Management Board

Freundt Hinterseher Descours Valdes

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

ANNUAL FINANCIAL STATEMENTS

for

PUMA SE, Herzogenaurach, Germany

as of December 31, 2023

- German Commercial Law -

The following translation is based upon the German original submitted for translation into English. In the event there is any conflict between the interpretation of the German original wording and the present English translation, the original German wording shall prevail over the wording of the English version.

Combined Management Report for the Financial Year 2023

Information as to the combined management report

Pursuant to Section 315 (3) HGB in conjunction with Section 298 (2) HGB the management report of PUMA SE and the management report of PUMA Group for the financial year 2023 were combined and disclosed in the Annual Report 2023. It is available online at https://about.puma.com/de-de/investor-relations/financial-reports.

The annual financial statements and the combined management report of PUMA SE for the financial year 2023 will be submitted to the operator of the Federal Gazette, where they will be published.

PUMA SE, Herzogenaurach
- GERMAN GAAP -
Balance Sheet as of December 31, 2023 and 2022

ASSETS	Notes	**12/31/2023 € million**	**12/31/2022 € million**
A. FIXED ASSETS			
I. Intangible assets			
1. Protective rights acquired for a fee and similar rights and assets as well as licenses to such rights and assets	3	110.7	94.1
2. Advance payments made	3	18.6	5.5
		129.3	99.6
II. Tangible assets			
1. Land and buildings including buildings on third-party land		98.1	100.1
2. Other assets as well as operating and business equipment	3	10.7	12.1
3. Advance payments made and assets under construction	3	1.9	1.1
		110.7	113.2
III. Financial assets			
1. Shares in affiliated companies	3	1,387.7	865.8
2. Investments	3	21.2	21.7
		1,408.9	887.5
		1,648.9	**1,100.3**
B. CURRENT ASSETS			
I. Inventory	4	85.7	115.2
II. Receivables and other current assets			
1. Trade receivables	5	68.5	57.3
2. Accounts receivables from affiliated companies	6	608.1	1,105.4
3. Other assets	7	4.3	15.1
III. Cash and cash equivalents	8	165.8	96.5
		932.4	**1,389.5**
C. PREPAID EXPENSES	9	**23.7**	**25.2**
TOTAL ASSETS		**2,605.0**	**2,515.1**

EQUITY & LIABILITIES	Notes	**12/31/2023 € million**	**12/31/2022 € million**
A. EQUITY			
I. Subscribed capital	10	150.8	150.8
Treasury stock	10	(1.0)	(1.1)
		149.8	149.7
(Conditional capital €15.1 m)	10		
II. Capital reserve	10	91.3	88.4
III. Revenue reserves			
1. Legal reserve	10	0.2	0.2
2. Other revenue reserves	10	198.1	196.2
IV. Balance sheet profit	10	486.4	499.4
		925.8	**933.9**
B. ACCRUALS/PROVISIONS			
1. Provision for pensions and similar obligations	11	9.5	9.9
2. Tax accruals	12	13.9	11.5
3. Other accruals/provisions	13	100.3	120.4
		123.7	**141.8**
C. LIABILITIES			
1. Bank liabilities	14	551.5	311.5
2. Trade payables	14	40.5	32.5
3. Accounts payable to affiliated companies	14	951.9	1,088.1
4. Other liabilities	14	11.1	6.8
(thereof taxes: €2.0 m, PY: €2.2 m)			
(thereof social security: €0.0 m, PY: €0.0 m)			
	14	**1,555.0**	**1,438.9**
D. DEFERRED INCOME		**0.5**	**0.5**
TOTAL EQUITY & LIABILITIES		**2,605.0**	**2,515.1**

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Income Statement for the Year 2023	Notes	2023 € million	2022 € million
1. Net sales	15	1,243.7	1,151.9
2. Other operating income (thereof currency translation gains: €75.0 m, PY: €75.3 m)	16	83.7	84.0
3. Material expenditure	17	-389.5	-316.4
4. Personnel expenditure	18		
a.) wages and salaries		-112.8	-103.0
b.) social security and other pension costs (thereof pension costs: €0.1 m, PY: €0.8 m)		-18.0	-17.2
		-130.8	-120.2
5. Depreciation:			
a.) on intangible and tangible fixed assets		-36.1	-36.8
6. Other operating expenses (thereof currency translation losses: €102.7 m, PY: €74.3 m)	19	-898.8	-816.3
7. Income from investments (thereof from affiliated companies: €120.8 m, PY: €127.9 m)	20	120.8	127.9
8. Income from profit transfer agreements	20	234.8	161.4
9. Expenses from loss transfer agreements	20	-109.9	-111.5
10. Other interests and similar income (thereof from affiliated companies: €81.3 m, PY: €28.6 m)		82.0	28.6
11. Write-downs on financial assets and on short-term securities	20	-0.5	-5.7
12. Interests and similar expenses (thereof to affiliated companies: €44.8 m, PY: €6.0 m) (thereof expenses from compounding: €0.1 m, PY: €0.3 m)		-68.4	-11.2
13. Tax on income and profit	21	-21.2	-18.8
14. **Earnings after taxes = Net income**		**109.8**	**117.0**
15. Profit carried over from the previous year	10	376.6	382.4
Balance sheet profit		**486.4**	**499.4**
Proposed dividend	€ per share	**0.82**	**0.82**

PUMA SE, Herzogenaurach

Notes to the 2023 Annual Financial Statements

1. General

PUMA SE (hereinafter referred to as 'Company') has its registered office in Herzogenaurach, Federal Republic of Germany. The Company is listed under the commercial register number HRB 13085 at the Local Court of Fürth (Bavaria).

The annual financial statements of PUMA SE have been prepared in accordance with the provisions of the German Commercial Law (Handelsgesetzbuch [German Commercial Code] or short HGB) and the SEAG (SE-Ausführungsgesetz [SE Implementation Act]) or the German Stock Corporation Act, respectively.

The Company is the parent company of a Group and, in addition to the annual financial statements in accordance with HGB, prepares consolidated financial statements 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 German accounting principles to be applied in accordance with Section 315e (1) HGB.

Mainly under the brand names 'PUMA' and 'Cobra Golf', PUMA SE and its subsidiaries are engaged in the development and sale of a wide range of sports and sport lifestyle products including footwear, apparel, and accessories.

The annual financial statements and the combined management report of PUMA SE are prepared in euro (EUR or €).

The presentation of amounts in millions of euros with one position after the decimal point may result in rounding differences, since the calculation of individual items is based on figures presented in thousands.

The total cost method as defined in Section 275 (2) HGB is used for the income statement. The financial year corresponds to the calendar year.

2. Accounting and valuation principles

Tangible assets and **intangible assets** acquired for a fee are capitalized at cost of acquisition. Depreciable fixed assets are written down on a straight-line basis over their expected useful lives. The scheduled useful lives of land and buildings, including buildings on third-party land, are between 10 and 60 years, and for other assets, operating and business equipment between three and ten years. In the case of intangible assets, the planned useful lives vary between eight to fifteen years. With respect to depreciable assets, scheduled depreciation is effected pro rata temporis on a straight-line basis over their expected useful life. In addition, unscheduled depreciation is carried out where impairment is expected to be permanent. Low-value assets up to acquisition costs of €800 are fully depreciated in the year of acquisition and assumed as disposals in the fixed assets schedule.

Financial assets are accounted at their acquisition costs reduced, if necessary, by unscheduled amortization, when impairment is expected to be permanent. If the reasons for the permanent impairment cease to exist, a write-up will be carried out up the amount of the amortized acquisition cost of the asset.

In the case of **inventory**, acquisition costs are applied based on the strict lower of cost or market value principle. Taking the market value into account, low marketability and limited usability are considered by applying appropriate valuation allowances.

Receivables and other current assets are carried at their nominal value. All identifiable risks are aquately taken into account in form of individual and general valuation adjustments due to general and special credit risks.

Cash and cash equivalents are stated at their nominal value at the balance sheet date.

Prepaid expenses include payments before the reporting date that represent expenses for a specific priod after this date.

Equity items are to be reported at their nominal value.

The provision for pensions and similar obligations of PUMA SE in Germany and Switzerland is based on benefit plans that are measured using the projected unit credit method on the basis of biometric probabilities in accordance with the usual mortality tables in the respective country. This projected unit credit method does not only take pensions and acquired entitlements that are known on the reporting date into account, but also the increases that may be expected in the future. The present value of the obligation is determined by discounting the expected future pension benefits (the settlement amount within the meaning of Section 253 (1) sentence 2 HGB) in accordance with Section 253 (2) HGB using the average market interest rate of the past ten years calculated by the Bundesbank according to RückAbzinsV (Rückstellungsabzinsungsverordnung [Ordinance for the discounting of provisions]). Here, the simplification rule is used in accordance with Section 253 (2) sentence 2 HGB and the interest rate for a residual term of 15 years applied on a flat-rate basis.

In compliance with Section 253 (6) HGB, the difference between the recognition of the provisions based on the relevant average market interest rate for the past ten financial years and the recognition of the provisions based on the average market interest rates of the last seven financial years needs to be additionally determined as of the 2016 financial year. Profits may only be distributed, if provisions that are freely available after the distribution plus a profit carried forward and less a loss carried forward are at least equal to such difference.

The reinsurance policies pledged to beneficiaries for some German pension commitments constitute cover assets within the meaning of Section 246 (2) sentence 2 HGB and were therefore offset against the pension obligation. Since a fair value for life insurance contracts cannot be reliably determined, the reinsurance policies are measured at amortized acquisition costs, which correspond to the tax asset value.

Since the promised benefits for the reinsured pension commitments in Germany are based solely on and in the amount of the insurance benefits, these obligations, such as securities-linked commitments (Section 253 (1) sentence 3 HGB), were each measured at the tax asset value of the corresponding reinsurance policy.

Expenses and income from cover assets are offset against expenses and income from the compounding or discounting of provisions; the result is reported under 'Interests and similar expenses' or 'Other interests and similar income'. This also includes changes in the present value of the obligations as a result of changes in the average market interest rate according to the Ordinance for the discounting of provisions (RückAbzinsV) compared to the previous year. Other expenses are recognized as pension costs in personnel expenditure.

Tax accruals and other accruals/provisions are valued in the amount of the settlement values according to reasonable commercial assessment. Provisions with a remaining term of more than one year are discounted using the average market interest rate of the past seven years calculated by the Bundesbank in accordance with RückAbzinsV (Rückstellungsabzinsungsverordnung [Ordinance for the discounting of provisions]) adequate to the term of the provisions and recognized accordingly at their present value.

PUMA SE has partial retirement obligations that are measured at present value according to actuarial principles. The present value of the obligation is determined by discounting the expected future partial retirement benefits (the settlement amount within the meaning of Section 253 (1) sentence 2 HGB) at the average market interest rate of the past seven years in accordance with Section 253 (2) HGB. Here, as in the case of pension obligations, the simplification rule pursuant to Section 253 (2) sentence 2 HGB is used and the interest rate for a residual term of 15 years applied on a flat-rate basis.

The provisions for partial retirement obligations are formed in accordance with the block model.

Section 285 no. 30a HGB requires entities which are subject to the rules governing the global minimum level of taxation to disclose additional information in their annual financial statements as to the impact of the global minimum taxation for the financial years ending after December 30, 2023.
PUMA Group falls into the scope of the global minimum taxation. The relevant legislation became effective in Germany, the country where the ultimate parent company of PUMA Group is based, on December 28, 2023 and applies to the financial years beginning after December 31, 2023. As the Minimum Tax Act (Mindeststeuergesetz or short MinStG) applies to the financial year of PUMA Group beginning on January 1, 2024, but was not yet applicable to the financial year beginning on January 1, 2023, PUMA Group does not have an associated current tax risk in the 2023 financial year. Taking into account the fact that PUMA Group will be affected by the minimum tax legislation, a preliminary assessment of the potential risk has been carried out.
The assessment of the potential risk of Pillar Two taxes is based on the most recent country-related reports and annual financial statements which are available for the business units of the Group. The Group has identified a potential exposure to Pillar Two taxes being suspended for profits generated in Hongkong and the United Arab Emirates. The potential exposure arises from business units (mostly operating subsidiaries) located in these countries which are likely to report an effective tax rate below 15 %.
If the MinStG had to be applied to the current financial year ending on December 31, 2023, the estimated total tax increase determined in accordance with the MinStG would have amounted to approximately €12.1 million. The actual tax increases in the affected countries in the year 2024 will, however, depend on various factors.
PUMA SE makes use of the exception from accounting for deferred taxes that result from the introduction of the global minimum taxation provided for in Section 274 (3) HGB.

Liabilities are recognized at their settlement amount.

Deferred income is recognized for prepayments prior to the reporting date that represent income for a specified period after this date.

Deferred taxes

Deferred taxes are calculated by using a combined income tax rate which includes corporate income tax, solidarity surcharge and trade tax of the tax consolidated group of PUMA SE.

In deviation from German Tax Law, the commercial valuation of tangible fixed assets, inventory, other accruals/provisions, provisions for pensions and similar obligations as well as the consideration of tax loss carryforwards at the year-end of 2023 result in deferred tax assets in the balance sheet. No use is made of the option provided by Section 274 (1) sentence 2 HGB, which means that the asset surplus of deferred taxes is not recognized in the balance sheet.

Currency translation

Short-term foreign currency receivables and payables (remaining term of less than one year) are converted and reported at the average spot exchange rate at the balance sheet date. Long-term foreign currency receivables (remaining term of over one year) are recognised by applying the historical cost principle as well as the realization and imparity principle. In the case of a reversal of previous write-downs, write-ups up to the maximum amount of the historical acquisition costs are carried out.

Revenue recognition

Net sales include all revenues related to product sales and license income realized with third parties or affiliated companies. Product sales-related revenues are recognised through profit or loss at the time when the risk passes to the customer; in this context, realised or expected returns, discounts and rebates are taken into account in their revenue-reducing effect. License income is – in compliance with the individual contract regulations – only recorded when the licensee achieves corresponding sales with PUMA products.

Income from investments as well as from shares in affiliated companies, where no profit and loss transfer agreement has been concluded, is recognised in the financial year in which the right was legally established on the basis of a corresponding profit appropriation resolution. Income from profit and loss transfer agreements is generally recognised in the same period.

Hedging of currency and interest rate risks

To hedge against currency and interest rate risks, the Company uses forward exchange transactions as well as interest rate collars which serve exclusively for hedging purposes.
To hedge against financial risks, valuation units pursuant to Section 254 HGB are formed by comparing changes in value or cashflows from underlying and hedging transactions with each other. The valuation units are accounted for by using the net hedge presentation method (in the case of cashflow hedges) as well as the gross hedge presentation method (in the case of fair value hedges). If forward exchange transactions and interest rate collars result in negative market values, a provision for anticipated losses is recognized as a liability.

Management Incentive Programs

PUMA uses cash-settled share-based payments, share-based payments settled in cash or equities, as well as key performance indicator-based long-term incentive programs.
The resulting expenses are recorded over the vesting period and a corresponding provision is set up. The valuation is based on IFRS 2 "Share-based payments" in line with the consolidated financial statements according to IFRS.
The share-based payments settled in cash or equities are accounted for in the same way as cash-settled share-based payments.

Explanations

3. Fixed assets

The breakdown of the individual fixed assets items and their development is shown in the assets schedule (Development of fixed assets) in Appendix A to the present notes.

The development at carrying amounts is as follows:

Intangible assets:

	2023 € million	2022 € million
As of 01/01	99.6	78.7
Additions/transfers	56,6	48.8
Disposals	-0.1	-0.1
Amortization	-26.8	-27.8
As of 12/31	**129.3**	**99.6**

Intangible assets are mainly computer software with an average useful life of three to fifteen years as well as trademarks. Additions in 2023 mainly relate to investments in the existing SAP ERP system as well as its further development and investments in other IT projects.

Tangible assets:

	2023 € million	2022 € million
As of 01/01	113.2	116.5
Additions/transfers	6.8	5.8
Disposals	-3.1	-0.0
Depreciation	-6.2	-9.1
As of 12/31	**110.7**	**113.2**

Additions mainly relate to IT equipment, office and business equipment as well as to investments in building extensions at the headquarters.

Financial assets:

	12/31/2023 € million	12/31/2022 € million
Shares in affiliated companies	1,387,.7	865.8
Investments	21.2	21.7
	1,408.9	**887.5**

The change in financial assets mainly stems from contributions of €521.9 million made to the capital reserves of PUMA Sprint GmbH, Germany.

Investments relate to the shares held in Borussia Dortmund GmbH & Co. KGaA (BVB), Dortmund, Germany, in the amount of €21.2 million. As of December 31, 2023 the listed stock market price was below the carrying amount. In the current financial year, use was made of the option right pursuant to Section 253 (3) sentence 6 HGB and an unscheduled write-down of €0.5 million (previous year: €5.7 million) was recognized. The list of shareholdings pursuant to Section 285 nos. 11, 11a and 11b HGB is attached to the notes as Appendix B.

4. Inventory

	12/31/2023 € million	12/31/2022 € million
Goods in stock	73.4	86.4
Goods in transit	12.3	28.8
	85.7	**115.2**

5. Trade receivables

	12/31/2023 € million	12/31/2022 € million
Short-term trade receivables	68.5	57.3

Receivables amount to a total of €6.3 million (previous year: €3.5 million) after the deduction of individual and general valuation allowances.

6. Accounts receivables from affiliated companies

	12/31/2023 € million	12/31/2022 € million
Accounts receivable from affiliated companies	608.1	1,105.4
- of which from PICCA* and cashpool	243.3	609.9
- of which from long-term loans	224.2	223.3
- of which from goods and services	140.6	272.2

*PICCA (PUMA Internal Credit Facility Agreement)

Except for long-term loans, accounts receivables from affiliated companies have a term of less than one year.

7. Other assets

	12/31/2023 € million	12/31/2022 € million
Total	4.3	15.1

Other assets include claims against tax authorities in the amount of €3.7 million (previous year: €14.4 million).

As in the previous year, other assets are all due in less than one year.

8. Cash and cash equivalents

These are exclusively cash on hand and bank balances. Restrictions on disposals or transfers do not apply.

9. Prepaid expenses

The prepaid expenses item includes prepayments made for various service and marketing agreements.

10. Equity

	Subscribed capital	Capital reserve	Legal reserve	Other revenue reserves	Balance sheet profit	Total
	€ million	€ million	€ million	€ million	€ million	€ million
As of 12/31/2020	**149.6**	**82.5**	**0.2**	**192.4**	**390.4**	**815.1**
Dividend payment					-23.9	-23.9
Use/issue of treasury stock		1.7		0.4		2.1
Net income					123.6	123.6
As of 12/31/2021	**149.6**	**84.2**	**0.2**	**192.8**	**490.1**	**916.9**
Dividend payment					-107.7	-107.7
Use/issue of treasury stock	0.1	4.2		3.4		7.7
Net income					117.0	117.0
As of 12/31/2022	**149.7**	**88.4**	**0.2**	**196.2**	**499.4**	**933.9**
Dividend payment					-122.8	-122.8
Use/issue of treasury stock	0.1	2.9		1.9		4.9
Net income					109.8	109.8
As of 12/31/2023	**149.8**	**91.3**	**0.2**	**198.1**	**486.4**	**925.8**

Subscribed capital

The subscribed capital amounts to €150,824,640.00 in accordance with the Articles of Association as of the balance sheet date 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 shares outstanding:

	2023	2022
Shares outstanding as of 01/01 Unit	**149,758,644**	**149,605,600**
Share buy-back Unit	0	0
Issue of treasury stock Unit	85,900	153,044
Shares outstanding as of 12/31 Unit	**149,844,544**	**149,758,644**

Capital reserves

In the context of using treasury stock, €2.9 million were transferred to capital reserves.

Treasury stock

By resolution of the Annual General Meeting on May 7, 2020 the Company was authorized to acquire treasury stocks of up to 10 % of the share capital until May 6, 2025. The resolution of the Annual General Meeting on May 5, 2021 authorized the Supervisory Board to issue the acquired stocks to members of the Company's Management Board excluding the shareholders' subscription rights. Furthermore, the Management Board was authorized by resolution of the Annual General Meeting on May 11, 2022 to issue the acquired stocks, excluding shareholders' subscription rights, in connection with share-based payment programs as well as employee share programs of the Company or one of its affiliated companies to persons who are or were employed by the Company or one of its affiliated companies, or are a member of the management of an enterprise affiliated with the Company. In the case of a purchase via the stock exchange, the purchase price per share may not be more than 10% higher and 20% lower than the average closing price for the shares of the Company carrying the same rights in XETRA trading (or a comparable successor system) during the last three trading days prior to the commitment to purchase.

The Company did not make use of the authorization to buy treasury stock during the reporting period.

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

Details on amounts subject to a payout restriction

The measurement at fair value of assets to be netted in connection with partial retirement agreements did not result in an amount subject to a payout restriction, since the fair value corresponds to the amortized acquisition costs.

The measurement at fair value of assets to be netted in connection with pension obligations did also not result in an amount subject to a payout restriction, since the fair value corresponds to the amortized acquisition costs.

In addition, there is no payout restriction in connection with deferred tax assets, as the asset surplus of deferred taxes is not recognized in the balance sheet.

The payout restricted difference between the recognition of provisions for pension obligations according to the corresponding average market interest rate for the past ten as well as the past seven financial years is €0.1 million. These amounts subject to a payout restriction are offset by other revenue reserves in the amount of €198.1 million. Therefore, there is no payout restriction with regard to the balance sheet profit in the amount of €486.4 million.

Dividend
The distributable amounts relate to the balance sheet profit of PUMA SE which is determined in accordance with the German Commercial Code.

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

Proposed use of PUMA SE's balance sheet profit:

		2023	**2022**
Balance sheet profit of PUMA SE as of 12/31	€ million	486.4	499.4
Distributable balance sheet profit	€ million	486.4	499.4
Proposed dividend per share	€	0.82	0.82
Number of shares outstanding	Unit	149,844,544	149,758,644
Proposed total dividend	€ million	122.9	122.8
Profit carried forward to new account	€ million	363.6	376.6

***** Prior-year figures adjusted as of the Annual General Meeting

Authorized capital
As of December 31, 2023, the Company's Articles of Association provide for authorized capital totaling €30,000,000.00:
In accordance with Section 4.2. of the Articles of Association, the Management Board shall be authorized, with the approval of the Supervisory Board, to increase the share capital of the Company by up to €30,000,000.00 through a single or repeated issuing of new no-par-value bearer shares against cash and/or non-cash contributions until May 4, 2026 (Authorized Capital 2021). In the case of capital increases against cash contributions, the new shares may also be wholly or partly taken over by one or more credit institutions designated by the Management Board subject to the obligation to offer them to the shareholders for subscription (indirect subscription right). The shareholders are generally entitled to subscription rights. However, in the cases referred to in Section 4.2 of the Articles of Association, the Management Board shall be authorized, with the approval of the Supervisory Board, to partially or completely exclude the subscription rights of shareholders.
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 on May 11, 2022, the Management Board has been authorized until May 10, 2027, with the approval of the Supervisory Board, to issue once or several times, in whole or in part, as well as at the same time in different tranches bearer and/or registered convertible bonds and/or warrant bonds, profit-participation rights and/or participating bonds or a combination of these instruments with or without a limited maturity in the total nominal amount of up to €1,500,000,000.00.

In this context, the subscribed capital was conditionally increased by up to €15,082,464.00 as a result of issuing up to 15,082,464 new no-par-value bearer shares (Conditional Capital 2022). The conditional capital increase shall only be carried out to the extent that conversion or option rights are exercised, or conversion or option obligations are performed, or offers are made and to the extent that no other forms of settlement are used to service such rights and obligations.

The present authorization has not been used to date.

11. Provision for pensions

The provision for pensions and similar obligations results from employees' entitlements to benefits in the event of invalidity, death or when a certain retirement age has been reached.

The general pension scheme of PUMA SE in Germany basically provides for pension payments to a maximum amount of €128.82 per month and per eligible employee. It was closed for new members as from 1996. In addition, PUMA SE provides individual commitments in Germany (fixed sums in different amounts) as well as contribution-defined individual commitments (partly from deferred compensation). The contribution-defined commitments are insured plans. The scope of obligation for total pension commitments in Germany amounts to €59.5 million (previous year: €58.6 million). The value of the cover assets offset against the obligations amounts to €50.4 million (previous year: €49.2 million). Expenses from the compounding of obligations amount to €1.3 million (previous year: €0.7 million). The effect of the change in the actuarial interest rate is €-0.1 million (previous year: €0.1 million). The income from cover assets amounts to €1.1 million (previous year: €0.5 million). Since the cover assets consist of pledged reinsurance policies and a fair value cannot be reliably determined, they are measured at amortized acquisition costs that correspond to the tax asset value reported by the insurance company.

Pension commitments in Switzerland result mainly from the customary national statutory pension plans. These are contribution-defined plans with statutory retirement rates based on implicit interest rate guarantees in the form of annuities with a capital payment option.

Assets in Switzerland are invested in a Swiss collective foundation managed by an insurance company.

The value of the pension obligations developed as follows:

	2023 € million	2022 € million
Pension obligations at the beginning of the year	**60.6**	**51.8**
Compounding (including effect of interest rate change)	1.4	0.6
Other change in pension obligation	0.6	9.0
Transfers	0.0	0.1
Payments	-1.0	-0.9
Pension obligations at the end of the year	**61.6**	**60.6**

The value of the reinsurance policies or of the foundation's assets developed as follows:

	2023 € million	2022 € million
Value of the assets at the beginning of the year	**50.7**	**42.1**
Income from reinsurance policies or foundation assets	1.3	0.3
Contributions	0.6	8.6
Payments	-0.5	-0.4
Transfer of foundation assets	0.0	0.1
Value of the assets at the end of the year	**52.1**	**50.7**

Accordingly, the recognized pension provision is as follows:

	12/31/2023 € million	12/31/2022 € million
Value of pension obligations	61.6	60.6
Value of reinsurance policies or fair value of foundation assets	52.1	50.7
Pension provision	**9.5**	**9.9**

Using the average market interest rate for the past seven financial years (1.75%), the provision for pensions and similar obligations would have been €0.1 million (previous year: €0.4 million) higher.

In 2023, payments amounted to €1.0 million (previous year: €0.9 million). Pension payments for 2024 are expected to amount to €1.1 million. Contributions to the reinsurance policies or foundation assets amounted to €0.6 million in 2023 (previous year: €8.5 million). Contributions for 2024 are expected to amount to €0.4 million.

The expense in connection with the company pension scheme in the financial year 2023 is composed as follows:

	2023 € million	2022 € million
Pension costs	0.1	0.8
of which pension payments	-1.0	-0.9
of which transfers	0.0	0.0
of which other changes in the provision for pensions	1.1	1.7
Interests and similar expenses	0.1	0.3
of which expenses from the compounding of obligations	1.5	0.5
of which effect from the change in the actuarial interest rate	-0.1	0.1
of which income from cover assets	-1.3	-0.3
Total	**0.2**	**1.1**
of which personnel expenditure	0.1	0.8
of which financial expenses	0.1	0.3

The following assumptions were used to determine the pension obligations:

	2023	2022
Germany		
Discount rate	1.83%	1.79%
Future pension increases	1.40%	1.40%
Future salary increases	N/A	N/A

Switzerland		
Discount rate	1.83%	1.79%
Future pension increases	0.00%	0.00%
Future salary increases	2.00%	2.00%

12. Tax accruals

	12/31/2023 € million	12/31/2022 € million
Total	13.9	11.5

Tax accruals include, in particular, provisions for income taxes for the current year 2023 in the amount of €3.1 million and for previous years in the amount of €10.3 million. In addition, they contain expenditure of €0.5 million for flat-rate payroll tax.

13. Other accruals/provisions

	12/31/2023 € million	12/31/2022 € million
Warranties and returns	3.1	3.7
Personnel including partial retirement obligations	27.7	30.0
Outstanding invoices	58.0	70.9
Miscellaneous other accruals/provisions	11.5	15.8
Other accruals/provisions	**100.3**	**120.4**

Personnel provisions and miscellaneous other accruals/provisions also include costs from management incentive programs for both employees of PUMA SE and employees of PUMA Group.

Furthermore, miscellaneous other provisions primarily include risks arising from litigations, dismantling obligations, and pending transactions.

Provisions for partial retirement
The provisions result from partial retirement agreements concluded on the basis of a partial retirement collective agreement and a company agreement based thereon. Partial retirement contracts reduce regular working hours by half. It can be agreed that the entire work owed is performed during the first half of the partial retirement relationship (block model). At present, partial retirement employment relationships are based exclusively on the block model.

The scope of obligations amounts to €0.4 million (previous year: €0.4 million).

The value of partial retirement obligations developed as follows:

	2023 € million	2022 € million
Partial retirement obligation at the beginning of the year	0.4	0.3
Expenses from compounding	0.0	0.0
Pension payments and personnel expenditure	0.0	0.1
Partial retirement obligation at the end of the year	**0.4**	**0.4**

The following assumptions were used in the valuation of partial retirement obligations:

	12/31/2023	12/31/2022
Discount rate	1.75%	1.45%
Future increases in partial retirement payments	3.00%	3.00%

The partial retirement provision was measured on the basis of the 'Heubeck Mortality Tables 2018 G'.

14. Liabilities

	12/31/2023 € million	12/31/2022 € million
Bank liabilities	551.5	311.5
- of which have a remaining term of up to 1 year	(125.0)	(60.0)
- of which have a remaining term between 1 and 5 years	(426.5)	(251.5)
- of which have a remaining term of more than 5 years	(0.0)	(0.0)
Trade payables	40.5	32.5
- of which have a remaining term of up to 1 year	(40.5)	(32.5)
Accounts payable to affiliated companies	951.9	1,088.1
- of which PICCA and cashpool with a remaining term of up to 1 year	675.9	441.0
- of which trade payables with a remaining term of up to 1 year	276.0	647.1
Other liabilities	11.1	6.8
- of which have a remaining term of up to 1 year	(11.1)	(6.8)
	1,555.0	**1,438.9**

Except for long-term loans, accounts payable to affiliated companies have a term of less than one year.

PUMA Group has an independent financing concept, where PUMA SE assumes the central financing function for the whole Group. The financial instruments referred to below have been sufficiently assessed to protect the Company also in the future against any potential negative impact on its cash position.

The existing syndicated credit line of €800.0 million can be used by both PUMA SE and PUMA North America Inc. in EUR or USD. The syndicated credit line is intended for general corporate financing purposes, such as the financing of short-term, seasonal demands from the purchase of goods. The credit line had not been utilized as of the reporting date on December 31, 2023, and its maturity date was extended in December 2022 for the last time until the end of 2025.

In order to finance medium and long-term funding requirements, which result from investments that cannot be financed directly from the operating cash flow, altogether four promissory note loans with a total outstanding amount of €551.5 million were issued in mid-2018, by the end of 2019 and 2020 as well as in mid-2023. The individual tranches of these promissory note loans will become due in January 2024 (€125.0 million), in January 2025 (€70.0 million), in January 2026 (€56.5 million) as well as in May 2026 (€150.0 million) and in May 2028 (€150.0 million). The last tranche in the amount of €60.0 million of the promissory note loan issued in mid-2018 was redeemed in July 2023.

15. Net sales

Breakdown by region:

	2023 € million	**2022 € million**
Europe	970.4	865.3
Asia/Pazific	93.0	93.3
America	178.3	192.8
Africa/Middle East	2.0	0.5
	1,243.7	**1,151.9**

Breakdown by product divisions:

	2023 € million	**2022 € million**
Footwear	348.0	291.8
Apparel	192.4	173.3
Accessories	49.0	43.8
	589.4	**508.9**
License and commission income	599.3	589.1
Other net sales	55.0	53.9
	1,243.7	**1,151.9**
Thereof sales, license and commission income and other net sales with affiliated companies	697.2	644.9

PUMA SE charges an 'International Marketing Contribution' (IMC) which affiliated companies pay to PUMA SE based on their sales. This contribution is included in the license income. The amount of the IMC is arranged with each affiliated company individually.

16. Other operating income

Other operating income includes income of €8.6 million (previous year: €8.6 million) unrelated to the accounting period and mainly relates to income from the reversal of provisions in the amount of €7.3 million (previous year: €7.3 million).

17. Material expenditure

The material expenditure item relates entirely to goods purchased.

18. Personnel expenditure

Due to a rise in the number of employees, personnel expenditure recorded an increase.

For information as to the number of employees see chapter 22.

19. Other operating expenses

	2023 € million	2022 € million
Advertising and sales expenses	**479.2**	443.9
Administrative and other expenses	**419.6**	372.4
	898.8	**816.3**

Other operating expenses include expenses unrelated to the accounting period in the amount of €0.1 million (previous year: €0.5 million).

Administrative and other expenses comprise foreign currency translation losses amounting to €102.7 million (previous year: 74.3 million).

In the consolidated financial statements of PUMA SE, fees of €2.0 million (previous year: €1.9 million) are recognized as operating expenses for the auditor of the consolidated financial statements, i.e. KPMG AG Wirtschaftsprüfungsgesellschaft, Nuremberg, Germany. The audit fee consists of fees for audit services related to the annual and consolidated financial statements as well as to the review of the half-year report in the amount of €1.8 million (previous year: €1.8 million), other assurance services in the amount of €0.2 million (previous year €0.1 million), in particular for the assurance of the information contained in the sustainability report as well as minor other services in the amount of €0.0 million (previous year: none). Next to the expenditure for PUMA SE, the fees also include the remuneration paid to the Group auditor for the directly audited domestic and foreign subsidiaries.

20. Financial result

Income from investments results exclusively from dividend distributions received from affiliated companies.

In addition, **income** was received **from the profit transfer agreement** with PUMA International Trading GmbH, Germany, in the amount of €234.8 million.

Expenses from loss transfer agreements mainly affect PUMA Europe GmbH, Germany, in an amount of €48.3 million and PUMA Sprint GmbH, Germany, in an amount of €61.6 million.

Write-downs on financial assets and on short-term securities relate to the shares held in Borussia Dortmund GmbH & Co. KGaA (BVB) in the amount of €0.5 million.

21. Tax on income and profit

Taxes on income and profit amounted to €21.2 million (previous year: €18.8 million). These include income tax arrears from previous years of €0.9 million, taxes on profits for the current year 2023 in the amount of €3.2 million as well as expenditures for foreign withholding taxes of €17.1 million on license fees and interest payments received from abroad in the year 2023.
In addition to the taxable result generated by PUMA SE itself, PUMA SE is liable to pay taxes attributable to it with regard to tax assessments of controlled companies affiliated to it via profit and loss transfer agreements.

22. Other Information

Employees

The average number of employees in the reporting year was as follows (FTE numbers):

	2023	**2022**
Marketing/Retail	185	154
Sales	125	118
Research & Development/Product Management	407	358
Administrative and general units	538	538
Total	**1,255**	**1,168**
of which apprentices and interns	56	51

The average number of employees in the reporting year was as follows:

	2023	**2022**
Marketing/Retail	201	165
Sales	140	135
Research & Development/Product Management	440	390
Administrative and general units	596	592
Total	**1,377**	**1,282**
of which apprentices and interns	56	51

At the end of the year, a total of 1,303 individuals (previous year: 1,226) were in the employ of the Company, of which 57 apprentices and interns (previous year: 55).

Contingent liabilities

At the balance sheet date, contingent liabilities from sureties and guarantees for credit lines amounted to €406.8 million (previous year: €281.3 million), of which €392.2 million (previous year: €273.2 million) were exclusively in favor of subsidiaries and €14.6 million (previous year: €8.1 million) in favor of third parties. Withdrawals are subject to seasonal requirements to pre-finance purchases of goods, which are attributed to payments subsequently received. Against that backdrop, we currently do not assume that

these sureties and guarantees will be used. Also, this item includes guarantees for subsidiaries provided vis-à-vis third parties and arising from rental agreements and contracts for work.
Essentially, guarantees in favor of third parties are made up of customs guarantees and sureties for rental agreements.

By letter dated 09/28/2023, the Company issued a letter of comfort vis-à-vis Genesis Group International Limited, Manchester, Great Britain, in which the Company undertakes to provide its subsidiary with liquid funds sufficient to ensure that the latter will be in the position to meet its financial commitments. In view of the subsidiary's current financial standing, the Company's potential risk that this letter of comfort is called is low.

By letter dated 12/06/2023, the Company issued a letter of comfort vis-à-vis PUMA United Kingdom Ltd, London, Great Britain, in which the Company undertakes to provide its subsidiary with liquid funds sufficient to ensure that the latter will be in the position to meet its financial commitments. In view of the subsidiary's current financial standing, the Company's potential risk that this letter of comfort is called is low.

In accordance with Art. 403 Volume 2 Dutch Civil Code (Article 2:403 BW), PUMA SE, with effect from January 1, 2023, provides a joint and several guarantee for the liabilities arising from legal transactions of its subsidiary Stichd Group BV, headquartered in 's Hertogenbosch, the Netherlands (De Waterman 2, 5215 MX).

Transactions and other financial liabilities not included in the balance sheet

The Company has financial obligations in connection with licensing, promotion, and advertising contracts. In addition, the Company rents, hires, and leases offices, warehouses, facilities, and its vehicle fleet.

	12/31/2023 € million
From licensing, promotion, and advertising contracts:	
2024	13.2
2025 - 2028	29.1
As of 2029	2.4
From rental and lease agreements:	
2024	2.8
2025 - 2028	5.5
As of 2029	1.8

The rental, hiring, and lease agreements essentially relate to leases for warehouses and office buildings, the Company's vehicle fleet, and certain office and business equipment (copiers, printers). In all cases, these are so-called 'operating lease' agreements which do not lead to any accounting for the properties/assets at Company level. Compared to their acquisition, the advantage of these agreements lies in the lower capital commitment and in the absence of the utilization risk. Risks could arise from the term of the agreements if the objects could no longer be fully utilized, for which there are currently no indications.

In addition, there are other financial obligations of €130.0 million (of which €59.2 million exceeding one year) attributable to third-party services and concluded to ensure continuity of PUMA SE's operating business activities.

Further, there are financial obligations arising from the addition of fixed assets in the amount of €5.1 million (of which €0.0 million exceeding one year), mainly attributable to tangible assets located at the Schlüsselfeld, Germany warehouse, and a photovoltaic system.

Moreover, there are also other financial obligations of PUMA SE to affiliated companies amounting to €262.0 million for the year 2024, €527.5 million for the years 2025-2026, and €723.2 million for the years following 2026. Those financial obligations originate from advertising agreements concluded by PUMA International Sports Marketing BV. Against the backdrop of an agreement made between PUMA SE and PUMA International Sports Marketing BV, providing that the latter charges the incurring costs to PUMA SE, the relevant financial obligations are allocated to PUMA SE indirectly.

Hedging of interest rate and currency risks

PUMA Group sources a major share of its products from suppliers located in Asia. PUMA International Trading GmbH, PUMA's own sourcing entity, manages such product procurement for all PUMA Group companies, selling the products so purchased to all companies within PUMA Group in their respective local currencies. Hence, PUMA International Trading GmbH's sourcing almost all goods in EUR eliminates any currency risks for PUMA SE at Group level.

PUMA SE enters into transactions through forward exchange transactions. Such transactions have for their purpose to reduce effects on future net cash flows, arising from currency risks. PUMA SE uses such derivative financial instruments solely for hedging purposes and not for trading or speculative purposes.

Currency risks within PUMA SE arise, on the one hand, from the Group's own USD expenses and, on the other hand, from so-called 'international marketing contributions' (or IMCs), denominated in GBP, JPY and MXN, PUMA subsidiaries pay to PUMA SE in their respective local currencies. Cash flow hedges are used to cushion these risks. Another foreign exchange risk originates from PUMA SE's acting as IC financing center for its subsidiaries. Here, fair value hedges are used to mitigate the related risk.

PUMA SE elected to use the option of applying hedge accounting as provided for in Section 254 HGB (Handelsgesetzbuch [German Commercial Code]). That is to say the net hedge presentation method not recognizing changes in market value in the profit and loss statement as of the reporting date, but in the period of the respective underlying transaction, is applied to cashflow hedges, provided that the hedging relationship is effective. Fair value hedges are accounted for using the gross hedge presentation method pursuant to Section 254 HGB within a designated hedging relationship. This method identifies the offsetting changes in value of the hedged risk by accounting for the gross values of the underlying transaction and the hedge.
With regard to hedging foreign exchange risks in connection with assets and debts, the conditions and parameters of the respective underlying transaction and hedge are compared. The critical term match method is applied to hedging future transactions. Effectiveness of hedging relationships is monitored permanently. Matching volumes and maturities of underlying transactions and hedges smooth out future fluctuations in value and changes in cash flows as of the reporting date and will do so in the future, too.

In order to cover its needs for USD, PUMA SE, as of the reporting date, carries external forward exchange transactions in the nominal amount of €122.1 million (USD135.0 million), of which €91.8 million with a remaining term of up to one year and €30.3 million with a remaining term between one and five years, resulting in a fair-value balance of -€1.2 million (change in net market value).
As of the reporting date, the IMCs disclose external forward exchange transactions in the nominal amount of €67.9 million (GBP14.1 million, JPY4.05 billion, and MXN450.0 million), of which €61.8 million with a remaining term of up to one year and €6.1 million with a remaining term between one and five years, resulting in a fair value of €1.7 million (change in net market value).

As to the non-designated and free-standing portion of such forward exchange transactions (i.e. USD expenses and IMCs), other provisions ('Contingent losses from pending transactions') in the amount of €0.8 million were formed for negative market values.
In order to cover its foreign exchange risk arising from its IC funding function, PUMA SE holds hedges in the nominal amount of €166.8 million with a remaining term of up to one year, resulting in a fair value of €0.7 million (change in net market value).

The effective positive spot element in the amount of €1.3 million included in the fair value of €0.7 million is incorporated in the balance sheet items 'Accounts receivable from affiliated companies' (€1.9 million) and 'Accounts payable to affiliated companies' (€0.6 million). Other provisions ('Contingent losses from pending transactions') in the amount of €0.8 million were formed for the free-standing non-designated portion of such forward exchange transactions (IC financing transactions) to cover negative market values.

As a rule, funding of PUMA Group is channeled through PUMA SE to cover the financial requirements of all subsidiaries by way of intra-Group loans. Here, since some of the funds were borrowed at variable rates, PUMA SE is exposed to interest rate risks. In its effort to hedge against rising interest rates, PUMA SE entered into interest rate hedges in form of so-called 'collars' with external partners. Collars are interest rate agreements defining both cap and floor interest rates. They are aggregated as micro-hedges in hedging relationships and accounted for in the balance sheet, using the net hedge presentation method.

The hedging volume of the collars PUMA SE entered into as of the reporting date totals €150 million, of which collars hedging €75 million with an interest rate range between 1.50 and 4.81 per cent until maturity in May 2026 at the latest, and collars hedging another €75 million with an interest rate range between 1.50 and 4.65 per cent also until maturity in May 2026 at the latest. Both the underlying and the hedging transaction have identical maturities expiring in 2028 at the latest.

As of the reporting date Dezember 31, 2023, the volume of floating-rate loans amounted to €150 million. Both the underlying and the hedging transaction have identical maturities expiring in 2028 at the latest. Those collars hedge the net asset value only, totaling 0 as of December 31, 2023.

Other provisions ('Contingent losses from pending transactions') in the amount of €1.0 million were formed for the free-standing and non-designated portion of such collars to cover negative market values.

Management incentive plans

In order to retain Management with a long-term incentive effect PUMA uses cash-settled virtual shares as well as further global long-term incentive programs.

The current programs are explained below:

EXPLANATION OF 'MONETARY UNITS' ('MONETARY UNITS PLAN' OR 'MUP')

In the 2013 financial year, the Company started granting monetary units on an annual basis as part of a management incentive plan for its Management Board members. Such monetary units are based on PUMA share performance. Each of these monetary units entitles the holder to a cash payment at maturity. Such granted cash payment measures the PUMA share performance by comparing the average virtual stock appreciation rights of the last thirty trading days prior to the beginning of the year of issue with the virtual stock appreciation rights of the last thirty trading days of the exercise date. The maximum stock appreciation rights are capped at 300 per cent of the amount allotted. These monetary units are subject to a vesting period (lock-up period) of three years followed by an exercise period of thirty days beginning on each quarterly report release date and expiring thirty days thereafter in which participants may freely choose to exercise their rights over a period of two years. The number of such monetary units is reduced on a pro rata basis, should a Management Board member withdraw from office at any time during the vesting period. This plan now expires to be replaced by the performance share plan. Against that backdrop, the Company ceased to issue any shares in connection with this plan in the 2023 financial year.

EXPLANATION OF 'VIRTUAL SHARES' ('PERFORMANCE SHARE PLAN' OR 'PSP')

In the 2021 financial year, the Company started granting virtual shares on an annual basis as part of a management incentive plan for its Management Board members. Such virtual shares are based on PUMA share performance. Each of these virtual shares entitles the holder to a cash payment at maturity. The Supervisory Board, however, reserves the right to effect pay-out in form of PUMA shares and not in cash. Such granted cash payment is based upon the PUMA closing price of the last thirty trading days prior to the exercise date. The number of virtual shares finally allocated ranges between 50 per cent and 150 per cent, depending on the relative 'total shareholder return' (TSR) in relation to the MDAX stock index. Calculation of the PUMA and the MDAX stock index TSRs is in each case based on the arithmetic average of the TSRs of the last thirty trading days prior to the beginning and expiry of the performance period. The average values so determined for PUMA and the MDAX stock index are then compared with one another to determine the difference in percentage terms between the PUMA TSR and the MDAX stock index TSR (TSR outperformance in percentage points). The maximum stock appreciation rights are capped at 300 per cent of the amount allotted. These virtual shares are subject to a vesting period of four years. In general, pay-out is effected within the first quarter of the fifth year after their issue. The number of such virtual shares is reduced on a pro rata basis, should a Management Board member withdraw from office at any time during the vesting period.

As regards the programs issued in the financial years 2021 and 2022, the DAX index formed the basis for the calculation of virtual shares, whereas the MDAX index has been applied as from the 2023 fiscal year for such purpose.

Im Geschäftsjahr 2023 wurde auf Basis der arbeitsvertraglichen Zusagen gegenüber den Vorstandsmitgliedern hierfür ein Aufwand von € 2,4 Mio. (Vorjahr: € 0,9 Mio. Ertrag) gebildet.

VIRTUAL SHARES – MANAGEMENT BOARD MEMBERS

Program designation	MUP	MUP	PSP	MUP	PSP	PSP	
Date of issue	01/01/2020	01/01/2021	01/01/2021	01/01/2022	01/01/2022	01/01/2023	
Term	5	5	4.25	5	4.25	4.25	Years
Vesting period	3	3	4	3	4	4	Years
PUMA share base price at program issue	67.69	86.23	86.23	106.95	106.95	51.86	EUR/share
Pro-rata PUMA share reference value at end of financial year	0	55.46	49.25	36.97	15.43	12.65	EUR/share
Weighted share price at exercise date	62.03	0	0	0	0	0	EUR/share
Number of participants in year of issue	3	3	2	1	3	4	Person(s)
Number of participants at end of financial year	3	3	2	1	3	4	Person(s)
Number of monetary units/virtual shares on 01/01/	62,743	34,548	7,070	10,323	16,458	81,279	Units
Number of monetary units/virtual shares exercised in financial year	-62,743	0	0	0	0	0	Units
Number of monetary units/virtual shares forfeited in financial year	0	0	0	0	0	0	Units
Total number of monetary units/virtual shares on 12/31	0	34,548	7,070	10,323	16,458	81,279	Units

The commitment arising from such share-based cash-settled remuneration transactions is recognized as personnel provisions and remeasured at fair value on each reporting date, unless exercised before such date. Expenses are recognized over the vesting period on a pro rata basis. Based on the prorated average market price over the last thirty trading days in the 2023 financial year and in consideration of a periodic exercise date in the year 2023, the provisions for these plans amount to €4.4 million (previous year: €5.8 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. The participants in this program consist primarily of top executives reporting to the Management Board, as well as special key functions within PUMA Group. The aim of this program is to tie this group of employees to the Company in the long term and to offer them a share in the medium-term success of the Company.

The Game Changer 2.0 LTIP consists of two plan components, i.e., a performance cash plan and a performance share plan, each accounting for a 50 per cent share. While the performance cash plan rewards PUMA Group's economic performance, the performance share plan rewards PUMA SE's share performance in the capital market.

The performance period of the performance cash plan spans three years and is based upon PUMA Group's average medium-term targets in terms of its EBIT, cash flow or working capital in per cent of net sales. The incentive bonus is paid out in cash and capped at a maximum of 200 per cent of the granted pro rata target bonus.

The performance share plan uses virtual shares to push the incentive. The maximum term of five years is divided into a three-year performance period and a two-year exercise period in which the virtual shares are paid out in cash. Pay-out of the incentive bonus is only possible at four exercise dates (i.e. 6, 12, 18 or 24 months after the end of the performance period). The average share price of the last 30 trading days prior to the exercise date defines the price of a virtual share. Pay-out is capped at a maximum of 300 per cent of the granted pro rata target amount and is only effected, if the exercise hurdle (ten per cent appreciation of the share price) was exceeded once during the performance period.

EXPLANATION OF THE 'GAME CHANGER 2.0 – 2023' PROGRAM

In 2020, the global program 'Game Changer 2.0 – 2023' was launched, which is subject to the same parameters as described above. The performance cash plan is based on EBIT (70 per cent), cash flow (15 per cent) and net sales (15 per cent). Pay-out of the performance share component is capped at a maximum of 300 per cent of the granted pro rata target bonus.

In the reporting year, a total of €2.2 million (of which €0.8 million out of the performance share component) was paid out to the group of participants. The payment was subject to the condition that the respective participants held an unbroken employment relationship with a PUMA Group company on 12/31/2022. Furthermore, the Company reversed an amount of €0.1 million for this program in the year under review (previous year: reversal of €0.2 million). That resulted in provisions in the amount of €0.5 million (previous year: €2.8 million) for this program at the end of the reporting year. Thereof, €0.5 million (previous year: €1.3 million) are attributable to the performance share component.

EXPLANATION OF THE 'GAME CHANGER 2.0 – 2024' PROGRAM

In 2021, the global program 'Game Changer 2.0 – 2024' was launched, which is subject to the same parameters as described above. The performance cash plan is based on targets in terms of EBIT (45 per cent), working capital in per cent of net sales (15 per cent), and net sales (40 per cent). Pay-out of the performance share component is capped at a maximum of 300 per cent of the granted pro rata target bonus. Moreover, the program is contingent upon an unbroken employment relationship until 12/31/2023. In the reporting year, a total of €0.2 million (previous year: €0.0 million) was reversed and €1.1 million (previous year: €0.5 million) was allocated on a pro rata basis in connection with this program. Provisions for this program total €3.4 million at the end of the financial year (previous year: €2.5 million). In total, €1.2 million (previous year: €0.8 million) are attributable to the performance share component.

EXPLANATION OF THE 'GAME CHANGER 2.0 – 2026' PROGRAM

In 2023, the global program 'Game Changer 2.0 – 2026' was launched, which is subject to the same parameters as described above. The performance cash plan is based on targets in terms of EBIT (70 per cent), cash flow (15 per cent), and net sales (15 per cent). Pay-out of the performance share component is capped at a maximum of 300 per cent of the granted pro rata target bonus. Moreover, the program is contingent upon an unbroken employment relationship until 12/31/2024. In the reporting year, a total of €1.8 million (previous year: €0.0 million) was allocated on a pro rata basis in connection with this program. Provisions for this program total €1.8 million (previous year: €0.0 million) at the end of the financial year. In total, €1.0 million (previous year: €0.0 million) are attributable to the performance share component.

EXPLANATION OF THE 'ROAD 2 10B' PROGRAM

In 2022, the long-term incentive program (LTIP) 'Road 2 10B' was launched. Key PUMA Group specialists and managers are eligible to participate in this program. The aim of this program is to tie this group of employees to the Company in the long term and to offer them a share in the medium-term success of the Company.

The 'Road 2 10B' LTIP consists of two plan components, i.e., a performance cash plan and a performance share plan, each accounting for a 50 per cent share. While the performance cash plan rewards PUMA Group's economic performance, the performance share plan rewards PUMA SE's share performance in the capital market.

The performance cash plan is based on targets in terms of EBIT, net sales, and working capital in per cent of net sales as specified in the PUMA SE Management Board three-year budget. As regards program participants employed at Group level, the corporate targets to reach include EBIT (45 per cent), net sales (40 per cent), and working capital in per cent of net sales (15 per cent). For program participants employed at country or regional level, 50 per cent of the overall target is contingent upon achieving the set Group targets. The remaining 50 per cent of the overall target is linked to attaining the goals specified at country or regional level (i.e. EBIT 22.5 per cent, net sales 20 per cent, and working capital in per cent of net sales 7.5 per cent). Pay-out is capped at a maximum of 200 per cent of the granted pro rata target bonus.

The performance share plan is subject to the PUMA share performance. The maximum term of five years is divided into a three-year performance period and a subsequent two-year exercise period in which virtual shares are paid out in cash. Pay-out of the incentive bonus is only possible at three exercise dates (i.e. 6, 12 or 18 months after the end of the performance period). The average share price of the last 30 trading days prior to the exercise date defines the price of a virtual share. Pay-out is capped at a maximum of 300 per cent of the granted pro rata target amount and is only effected, if the exercise hurdle (ten per cent appreciation of the share price) was exceeded once during the performance period.

In the reporting year, a total of €0.6 million (previous year: €0.0 million) was reversed and €0.8 million (previous year: €4.7 million) was allocated on a pro rata basis in connection with this program. Provisions for this program total €6.0 million (previous year: €5.8 million) at the end of the financial year. In total, €0.4 million (previous year: €0.6 million) are attributable to the Performance Share Plan.

VIRTUAL SHARES – MANAGEMENT BOARD MEMBERS EXCEPTED

Program addendum	Game Changer 2023	Game Changer 2024	Road 2 10b	Game Changer 2026	
Date of issue	01/01/2020	01/01/2021	01/01/2022	01/01/2023	
Term	5	5	5	5	Years
Vesting period	3	3	3	3	Years
Base price at program launch	67.69	86.23	106.95	51.86	EUR/share
Pro-rata reference value at end of financial year	55.46	55.46	3.82	18.49	EUR/share
Weighted share price at exercise date	51.43	0	0	0	EUR/share
Number of participants in year of issue	60	76	486	84	Person(s)
Number of participants at end of financial year	19	65	467	84	Person(s)
Number of virtual shares on 01/01/	24,547	23,340	103,352	55,167	Units
Number of virtual shares forfeited in financial year	-222	-2,370	-10,467	0	Units
Number of virtual shares added (committed) in financial year	0	470	2,674	0	Units
Number of virtual shares exercised in financial year	-15,334	0	0	0	Units
Total number of virtual shares on 12/31	8,991	21,440	95,559	55,167	Units

Information pursuant to Section 160 (1) No. 8 AktG (Aktiengesetz [German Stock Corporation Act])[1]

In accordance with Section 33 (1) WpHG (Wertpapierhandelsgesetz [German Securities Trading Act]), each stockholder reaching, exceeding or falling below a threshold of 3, 5, 10, 15, 20, 25, 30, 50 or 75 per cent of the voting rights of a listed company is required to inform the Company and the German Financial Supervisory Authority (BaFin) thereof without undue delay; however, by no later than the expiry of four trading days. In calculating the percentage of the voting rights, also such voting rights must be considered that are attributed to the relevant stockholder pursuant to Section 34 WpHG – in addition to the relevant stockholder's voting rights arising from stocks held by the latter. As of 12/31/2023, the Company had been notified of the following interests subject to notification pursuant to Section 160 (1) No. 8 AktG (the respective percentage and number of stocks are based on the capital subscribed at the point of time of the relevant notification; the number of stocks is gathered from the last notification of voting rights submitted to the Company and thus may be outdated):

- On April 23, 2007, Bear Stearns International Ltd. (now JP Morgan), New York, USA, notified the Company in accordance with Section 21 (1) WpHG then applicable, that the percentage of its directly or indirectly held voting rights in PUMA SE totaled 3.19 per cent (corresponding to 509,195 voting rights) on April 11, 2007.

- On May 30, 2023, T. Rowe Price Group, Inc., Baltimore, Maryland, USA, notified the Company that the percentage of its directly or indirectly held voting rights in PUMA SE totaled 3.02 per cent (corresponding to 4,561,155 voting rights) on May 24, 2023.

- On September 21, 2023, Mr. François Jean-Henri Pinault, Paris, France, notified the Company that the percentage of his directly or indirectly held voting rights in PUMA SE totaled 29.99 per cent (corresponding to 45,246,534 voting rights) on September 18, 2023.

- On September 21, 2023, Mr. François Henri Joseph Pinault, Paris, France, notified the Company that the percentage of his directly or indirectly held voting rights in PUMA SE totaled 29.99 per cent (corresponding to 45,246,534 voting rights) on September 18, 2023.

- On November 17, 2023, FIL Ltd., Pembroke, Bermuda, notified the Company that the percentage of its directly or indirectly held voting rights in PUMA SE totaled 2.97 per cent (corresponding to 4,475,902 voting rights) on November 14, 2023.

- On December 12, 2023, Norges Bank (the Royal Norwegian Ministry of Finance acting on behalf of the Kingdom of Norway), Oslo, Norway, notified the Company that the percentage of its directly or indirectly held voting rights in PUMA SE totaled 3.15 per cent (corresponding to 4,365,927 voting rights) on December 8, 2023.

- On December 28, 2023, DWS Investment GmbH, Frankfurt am Main, Germany, notified the Company that the percentage of its directly or indirectly held voting rights in PUMA SE totaled 2.98 per cent (corresponding to 4,499,896 voting rights) on December 22, 2023.

- On January 3, 2024, Amundi S.A., Paris, France, notified the Company that the percentage of its directly or indirectly held voting rights in PUMA SE totaled 2.99 per cent of the voting rights (corresponding to 4,510,207 voting rights) on December 27, 2023.

- On January 3, 2024, BlackRock, Inc., Wilmington, Delaware, USA, notified the Company that the percentage of its directly or indirectly held voting rights in PUMA SE totaled 5.47 per cent of the voting rights (corresponding to 7,654,424 voting rights) on December 29, 2023.

1) As to the information to be provided pursuant to Section 160 (1) No. 2 AktG (Inventory and acquisition of treasury shares of stock) as well as Section 160 (1) No. 4 AktG (Authorized capital) reference is made to the relevant explanations set forth in section 10 above.

Total emoluments of Management Board and Supervisory Board members

Disclosures pursuant to Art. 285 No. 9 HGB (Handelsgesetzbuch [German Commercial Code])

Compensation of Management Board members

In the 2023 financial year, total emoluments for Management Board members amounted to €9.2 million (previous year: €10.3 million).

Total emoluments for the Management Board include share-based remuneration in the fair value of €4.2 million (previous year: €1.2 million) granted and 81,297 (previous year: 11,520) performance shares issued in the financial year. Moreover, total emoluments for the preceding fiscal year include 30,968 virtual shares issued in connection with the PUMA Monetary Unit Plan in the fair value of €3.0 million.

Total emoluments of former Management Board members

In the 2023 financial year, total emoluments of former Management Board members and their survivors amounted to €0.7 million (previous year: €0.7 million).

There were performance-based pension obligations to former members of the Management Board and their widows/widowers amounting to €2.9 million (previous year: €2.9 million) as well as contribution-based pension commitments in connection with the deferred compensation of former members of the Management Board and Managing Directors amounting to €47.3 million (previous year: €17.4 million). Accordingly, both items were recognized as liabilities within pension provisions to the extent they were not offset against asset values of an equal amount.

Compensation of Supervisory Board members

Emoluments for the Supervisory Board members comprised fixed compensation as well as additional compensation for committee memberships and totaled €0.4 million (previous year: €0.2 million).

23. Corporate Governance

The Management Board and the Supervisory Board submitted the Declaration of Conformity as required pursuant to Section 161 AktG (Aktiengesetz [German Stock Corporation Act]) and made it publicly and permanently accessible on the Company's website (https://about.puma.com/de-de/investor-relations/corporate-governance).

24. Events after the balance sheet date

No events which would have had any material impact on the Company's equity, financial position, and results of operations occurred after the balance sheet date.

Herzogenaurach, Germany, this February 7, 2024

The Management Board

Freundt..............................Hinterseher..............................Descours..............................Valdes

Development of Fixed Assets PUMA SE, Herzogenaurach, from 01/01/2023 to 12/31/2023

	Acquisition or manufacturing costs					Accumulated amortization/depreciation					Book values	
	Total 01/01/2023 € million	Additions	Transfers	Disposals	Total 12/31/2023 € million	Total 01/01/2023 € million	Write.ups	Additions	Disposals	Total 12/31/2023 € million	Total 12/31/2023 € million	Total 12/31/2022 € million
INTANGIBLE ASSETS												
Protective rights acquired for a fee and similar rights and assets as well as licenses to such rights and assets	269.8	41.2	2.2	-0.1	**313.1**	175.7	0.0	26.8	-0.1	**202.4**	**110.7**	94.1
Advance payments made	5.5	15.4	-2.2	0.0	**18.6**						**18.6**	5.5
	275.3	**56.6**	**0.0**	**-0.1**	**331.7**	**175.7**	**0.0**	**26.8**	**-0.1**	**202.4**	**129.3**	**99.6**
TANGIBLE ASSETS												
Land and buildings including buildings on third-party land	137.1	2.6	0.1	0.0	**139.7**	37.0	0.0	4.6	0.0	**41.6**	**98.1**	100.1
Other assets as well as operating and business equipment	48.2	3.0	0.4	-3.1	**48.4**	36.1	0.0	4.6	-3.0	**37.7**	**10.7**	12.1
Advance payments made and assets under constuction	1.0	1.2	-0.4	0.0	**1.9**	0.0	0.0	0.0	0.0	**0.0**	**1.9**	1.0
	186.3	**6.8**	**0.0**	**-3.1**	**190.0**	**73.1**	**0.0**	**9.2**	**-3.0**	**79.3**	**110.7**	**113.2**
FINANCIAL ASSETS												
Shares in affiliated companies	896.7	521.9	0.0	0.0	**1,418.6**	30.9	0.0	0.0	0.0	**30.9**	**1,387.7**	865.8
Investments	27.4	0.0	0.0	0.0	**27.4**	5.7	0.0	0.5	0.0	**6.2**	**21.2**	21.7
	924.1	**521.9**	**0.0**	**0.0**	**1,446.0**	**36.6**	**0.0**	**0.5**	**0.0**	**37.1**	**1,408.9**	**887.5**
	1.385.6	**585.3**	**0.0**	**-3.2**	**1,967.7**	**285.4**	**0.0**	**36.5**	**-3.1**	**318.8**	**1,648.9**	**1,100.2**

	Companies/Legal entities	Country	City	Shareholder	Share in capital	Result in EUR'000*	Equity in EUR'000*	
	- Parent company -							
1.	PUMA SE	Germany	Herzogenaurach					
	EMEA							
2.	Austria Puma Dassler Gesellschaft m.b.H.	Austria	Salzburg	direct	100%	34.497	283.539	
3.	stichd austria gmbh	Austria	Salzburg	indirect	100%	218	602	
4.	Puma Czech Republic s.r.o.	Czech Republic	Prague	indirect	100%	4.110	10.795	
5.	PUMA DENMARK A/S	Denmark	Arhus	indirect	100%	596	2.633	
6.	PUMA Estonia OÜ	Estonia	Tallinn	indirect	100%	271	535	
7.	PUMA Finland Oy	Finland	Helsinki	indirect	100%	75	1.846	
8.	PUMA FRANCE SAS	France	Strasbourg	indirect	100%	14.802	98.925	
9.	stichd france SAS	France	Boulogne Billancourt	indirect	100%	783	2.057	
10.	PUMA International Trading GmbH	Germany	Herzogenaurach	direct	100%	1.448	15.084	2)
11.	PUMA Europe GmbH	Germany	Herzogenaurach	direct	100%	447	71.926	2)
12.	PUMA Sprint GmbH	Germany	Herzogenaurach	direct	100%	0	1.428.328	2)
13.	PUMA Mostro GmbH	Germany	Herzogenaurach	indirect	100%	0	244.570	2)
14.	PUMA Blue Sea GmbH	Germany	Herzogenaurach	indirect	100%	-2	56	
15.	stichd germany gmbh	Germany	Düsseldorf	indirect	100%	1.434	4.221	
16.	Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien	Germany	Dortmund	direct	5,32%	9.550	282.705	1)
17.	PUMA UNITED KINGDOM LTD	Great Britain	London	indirect	100%	-15.417	83.197	
18.	PUMA PREMIER LTD	Great Britain	London	indirect	100%	-16	2.052	
19.	STICHD UK LTD	Great Britain	Mansfield	indirect	100%	297	762	
20.	STICHD SPORTMERCHANDISING UK LTD	Great Britain	London	indirect	100%	7.860	17.718	
21.	GENESIS GROUP INTERNATIONAL LIMITED	Great Britain	Manchester	direct	100%	-233	788	
22.	Sport Equipment Hellas S. A. of Footwear, Apparel and Sportswear u.Li.	Greece	Athens	direct	70%	0	-169.198	
23.	PUMA ITALIA S.R.L.	Italy	Assago	indirect	100%	8.247	27.979	
24.	STICHD ITALY SRL	Italy	Assago	indirect	100%	169	115	
25.	Puma Sport Israel Ltd. In Liq	Israel	Hertzeliya	indirect	100%	-119	0	
26.	Puma Benelux B.V.	The Netherlands	Leusden	direct	100%	8.900	43.023	
27.	PUMA International Sports Marketing B.V.	The Netherlands	Leusden	direct	100%	3.097	29.459	
28.	stichd group B.V.	The Netherlands	's-Hertogenbosch	direct	100%	0	9.685	
29.	stichd international B.V.	The Netherlands	's-Hertogenbosch	indirect	100%	33	10.807	
30.	stichd sportmerchandising B.V.	The Netherlands	's-Hertogenbosch	indirect	100%	5.515	56.841	
31.	stichd B.V.	The Netherlands	's-Hertogenbosch	indirect	100%	25.099	290.162	
32.	stichd logistics B.V.	The Netherlands	's-Hertogenbosch	indirect	100%	-1	74	
33.	stichd licensing B.V.	The Netherlands	's-Hertogenbosch	indirect	100%	0	18	
34.	PUMA NORWAY AS	Norway	Fornebu	indirect	100%	-424	1.515	
35.	PUMA POLSKA sp. z o.o.	Poland	Warsaw	indirect	100%	8.903	26.715	
36.	PUMA SPORTS ROMANIA SRL	Romania	Voluntari	indirect	100%	4.222	8.238	
37.	PUMA-RUS o.o.o.	Russia	Moscow	indirect	100%	-8.718	31.830	
38.	PUMA SPORTS DISTRIBUTORS (PTY) LTD	South Africa	Cape Town	indirect	100%	11.747	61.641	
39.	PUMA SPORTS S A (PTY) LTD	South Africa	Cape Town	indirect	100%	0	5.471	
40.	PUMA IBERIA SLU	Spain	Madrid	direct	100%	4.913	33.869	
41.	STICHDIBERIA S.L.	Spain	Cornellà de Llobregat	indirect	100%	450	1.744	
42.	Nrotert AB	Sweden	Helsingborg	direct	100%	0	3.062	
43.	PUMA Nordic AB	Sweden	Helsingborg	indirect	100%	-13.033	9.254	
44.	Nrotert Sweden AB	Sweden	Helsingborg	indirect	100%	1	259	
45.	stichd nordic AB	Sweden	Helsingborg	indirect	100%	304	323	
46.	MOUNT PUMA AG	Switzerland	Oensingen	direct	100%	431	111.268	
47.	Puma Retail AG	Switzerland	Oensingen	indirect	100%	-427	60	
48.	stichd switzerland ag	Switzerland	Egerkingen	indirect	100%	196	374	
49.	PUMA Spor Giyim Sanayi ve Ticaret A.S.	Turkey	Istanbul	indirect	100%	16.452	44.422	
50.	PUMA UKRAINE LIMITED LIABILITY COMPANY	Ukraine	Kyiv	indirect	100%	12.835	26.915	
51.	PUMA Middle East FZ-LLC	United Arab Emirates	Dubai	indirect	100%	49.994	68.002	
52.	PUMA UAE (L.L.C)	United Arab Emirates	Dubai	indirect	100%	2.711	3.985	
	Americas							
53.	PUMA Sports Argentina S.A. (former Unisol S.A.)	Argentina	Buenos Aires	indirect	100%	-4.813	96.326	
54.	PUMA Sports Ltda.	Brazil	Sao Paulo	indirect	100%	6.530	46.785	
55.	PUMA Canada, Inc.	Canada	Toronto	indirect	100%	-10.932	9.425	
56.	PUMA United Canada ULC	Canada	Vancouver	indirect	51%	2.389	474	
57.	PUMA CHILE SpA	Chile	Santiago	direct	100%	10.089	74.775	
58.	PUMA SERVICIOS SpA	Chile	Santiago	indirect	100%	366	1.474	
59.	PUMA México Sport, S.A. de C.V.	Mexico	Mexico City	direct	100%	30.405	161.816	
60.	Importaciones RDS, S.A. de C.V.	Mexico	Mexico City	direct	100%	11.679	51.839	
61.	GLOBAL LICENSE STICHD GROUP MEXICO S.A. de C.V.	Mexico	Mexico City	indirect	100%	2.212	8.937	
62.	Importationes Brand Plus Licensing S.A. de C.V.	Mexico	Mexico City	indirect	100%	63	281	
63.	Distribuidora Deportiva PUMA S.A.C.	Peru	Lima	indirect	100%	7.033	40.008	
64.	Distribuidora Deportiva PUMA Tacna S.A.C.	Peru	Tacna	indirect	100%	251	1.265	
65.	PUMA Sports LA S.A.	Uruguay	Montevideo	direct	100%	-2.396	106.360	
66.	PUMA Suede Holding, Inc.	USA	Wilmington	indirect	100%	0	934.159	
67.	PUMA North America, Inc.	USA	Wilmington	indirect	100%	-62.088	755.673	
68.	Cobra Golf Incorporated	USA	Wilmington	indirect	100%	14.240	127.157	
69.	PUMA United Aviation North America LLC	USA	Wilmington	indirect	70%	-1.678	4.713	
70.	PUMA United Canada Holding, Inc.	USA	Wilmington	indirect	100%	0	0	
71.	PUMA United North America LLC	USA	Dover	indirect	51%	54.387	31.093	
72.	Janed Canada, LLC	USA	Dover	indirect	51%	0	0	
73.	stichd NA, Inc.	USA	Lewes	indirect	100%	168	877	
74.	PUMA Card Services NA, LLC.	USA	Plantation	indirect	100%	1.810	1.771	
	Asia/Pacific							
75.	PUMA Australia Pty. Ltd.	Australia	Melbourne	indirect	100%	-9.969	-11.896	
76.	White Diamond Australia Pty. Ltd.	Australia	Melbourne	indirect	100%	0	689	
77.	White Diamond Properties Pty. Ltd.	Australia	Melbourne	indirect	100%	-88	-839	
78.	PUMA China Ltd. (彪马（上海）商贸有限公司)	China	Shanghai	indirect	100%	2.319	14.642	
79.	stichd Trading (Shanghai) Co., Ltd. (斯梯起特贸易（上海）有限公司)	China	Shanghai	indirect	100%	1.018	3.500	
80.	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%	395	2.301	
81.	World Cat Ltd. (寰彪有限公司)	China	Hongkong	direct	100%	34.926	18.692	
82.	Development Services Ltd.	China	Hongkong	direct	100%	84	1.365	
83.	PUMA International Trading Services Ltd.	China	Hongkong	indirect	100%	158	923	
84.	PUMA ASIA PACIFIC LTD (彪馬亞太區有限公司)	China	Hongkong	direct	100%	280	63.270	
85.	PUMA Hong Kong Ltd. (彪馬香港有限公司)	China	Hongkong	indirect	100%	-3.284	7.585	
86.	stichd Limited	China	Hongkong	indirect	100%	6.042	25.115	
87.	PUMA Sports India Private Ltd.	India	Bangalore	indirect	100%	601	22.602	
88.	PT PUMA Cat Indonesia	Indonesia	Jakarta	indirect	100%	1.918	13.187	
89.	PT PUMA Sports Indonesia	Indonesia	Jakarta	indirect	100%	-209	999	
90.	PUMA Japan K.K. (プーマ ジャパン株式会社)	Japan	Tokyo	indirect	100%	5.723	76.410	
91.	PUMA Korea Ltd. (푸마코리아 유한회사)	South Korea	Seoul	direct	100%	-6.072	14.196	
92.	Stichd Korea Ltd	South Korea	Incheon	indirect	100%	5	244	
93.	PUMA Sports Goods Sdn. Bhd.	Malaysia	Petaling Jaya	indirect	100%	3.708	15.683	
94.	STICHD SOUTHEAST ASIA SDN. BHD.	Malaysia	Kuala Lumpur	indirect	100%	-66	-609	
95.	PUMA New Zealand Ltd.	New Zealand	Auckland	indirect	100%	326	5.927	
96.	PUMANILA IT SERVICES INC.	The Philippines	Makati City	indirect	100%	-124	133	
97.	PUMA Sports Philippines Inc.	The Philippines	Makati City	indirect	100%	1.053	3.144	
98.	PUMA SOUTH EAST ASIA PTE. LTD.	Singapore		indirect	100%	19.281	52.404	
99.	PUMA Taiwan Sports Ltd. (台灣彪馬股份有限公司)	China (Taiwan)	Taipei	indirect	100%	7.596	22.026	
100.	PUMA Sports (Thailand) Co., Ltd.	Thailand	Bangkok	indirect	100%	-1.553	6.348	
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%	924	3.595	

* Equity and results of the subsidiaries as stated are based upon IFRS accounting.

1) Equity and result are based upon audited consolidated financial statements for the year ended June 30, 2023.
2) Profit and loss transfer agreement

MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD AND THEIR MANDATES STATUS: DECEMBER 31, 2023

MEMBERS OF THE MANAGEMENT BOARD AND THEIR MANDATES

Arne Freundt
Chief Executive Officer (CEO)

Hubert Hinterseher
Chief Financial Officer (CFO)

Anne-Laure Descours
Chief Sourcing Officer (CSO)

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

MEMBERS OF THE SUPERVISORY BOARD AND THEIR MANDATES

Héloïse Temple-Boyer (first elected on April 18, 2019)
(Chair)
Paris, France

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

MEMBERSHIP IN OTHER STATUTORY SUPERVISORY BOARDS IN GERMANY: None.

MEMBERSHIP IN COMPARABLE DOMESTIC AND FOREIGN CONTROLLING BODIES OF COMMERCIAL ENTERPRISES[1]:

- Kering S.A., Paris/France
- Christie's International Plc, London/United Kingdom
- CAA LL.C., Los Angeles/USA
- Giambattista Valli S.A.S., Paris/ France
- Société d'exploitation de l'hebdomadaire le Point S.A., Paris/France
- Pinault Collection, Paris/France

1) All mandates are mandates within the ARTÉMIS/Kering-Group. Only Kering S.A. is a listed company.

Thore Ohlsson (first elected on May 21, 1993)
(Deputy Chair)
Falsterbo, Sweden

President of Elimexo AB, Falsterbo/Sweden

MEMBERSHIP IN OTHER STATUTORY SUPERVISORY BOARDS IN GERMANY: None.

MEMBERSHIP IN COMPARABLE DOMESTIC AND FOREIGN CONTROLLING BODIES OF COMMERCIAL ENTERPRISES:

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

Jean-Marc Duplaix (first elected on May 24, 2023)
Paris, France

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

MEMBERSHIP IN OTHER STATUTORY SUPERVISORY BOARDS IN GERMANY: None.

MEMBERSHIP IN COMPARABLE DOMESTIC AND FOREIGN CONTROLLING BODIES OF COMMERCIAL ENTERPRISES[2]:

- Balenciaga S.A., Paris/France

2) The mandate is a mandate within the Kering-Group. Kering S.A. is a listed company. Balenciaga S.A. is not listed.

Jean-François Palus (first elected on June 16, 2007, until May 24, 2023)
Paris, France

Managing Director of Guccio Gucci S.p.A., Florence/Italy

MEMBERSHIP IN OTHER STATUTORY SUPERVISORY BOARDS IN GERMANY: None.

MEMBERSHIP IN COMPARABLE DOMESTIC AND FOREIGN CONTROLLING BODIES OF COMMERCIAL ENTERPRISES:

- Financière Pinault S.C.A., Paris/France
- Sonova Management S.A.S., Paris/France
- Bureau Veritas S.A., Paris/France

Fiona May (first elected on April 18, 2019)
Calenzano, Italy

Independent Management Consultant

MEMBERSHIP IN OTHER STATUTORY SUPERVISORY BOARDS IN GERMANY: None.

MEMBERSHIP IN COMPARABLE DOMESTIC AND FOREIGN CONTROLLING BODIES OF COMMERCIAL ENTERPRISES: None.

Martin Köppel (first elected on July 25, 2011)
(Employees' Representative)
Adelsdorf, Germany

Chair of the Works Council of PUMA SE

MEMBERSHIP IN OTHER STATUTORY SUPERVISORY BOARDS IN GERMANY: None.

MEMBERSHIP IN COMPARABLE DOMESTIC AND FOREIGN CONTROLLING BODIES OF COMMERCIAL ENTERPRISES: None.

Bernd Illig (first elected on July 9, 2018)
(Employees' Representative)
Bechhofen, Germany

Teamhead IT Endpoint Management of PUMA SE

MEMBERSHIP IN OTHER STATUTORY SUPERVISORY BOARDS IN GERMANY : None.

MEMBERSHIP IN COMPARABLE DOMESTIC AND FOREIGN CONTROLLING BODIES OF COMMERCIAL ENTERPRISES: None.

SUPERVISORY BOARD COMMITTEES

Personnel Committee

- Héloïse Temple-Boyer (Chair)
- Fiona May
- Martin Köppel

Audit Committee

- Jean-Marc Duplaix (Chair since May 24, 2023)
- Thore Ohlsson (until May 24, 2023: Chair)
- Héloïse Temple-Boyer (until May 24, 2023)
- Bernd Illig

Nominating Committee

- Héloïse Temple-Boyer (Chair)
- Jean-François Palus (until May 24, 2023)
- Fiona May
- Jean-Marc Duplaix (since May 24, 2023)

Sustainability Committee

- Fiona May (Chair)
- Héloïse Temple-Boyer
- Martin Köppel

Declaration of legal representatives

We declare to the best of our knowledge that the financial statements present, in accordance with applicable accounting principles, a true and fair view of the equity, cash flow and results of operations of PUMA SE and that the Management Report, which was combined with the Consolidated Management Report of PUMA SE for the 2023 financial year, presents the development of business operations, including business results, and the position of the Company such that a true and fair view of the Company is reflected and that significant opportunities and risks of the expected development of the Company are described.

Herzogenaurach, Germany, this February 7, 2024

The Management Board

Freundt..............................Hinterseher..............................Descours..............................Valdes