CONSOLIDATED FINANCIAL STATEMENTS

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

CONSOLIDATED FINANCIAL STATEMENTS

↗ T.01 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

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

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

↗ T.02 CONSOLIDATED INCOME STATEMENT

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

T.03 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

↗ T.04 CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

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

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

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

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

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

↗ T.06 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

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

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

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

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

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

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

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

NEW, BUT NOT YET MANDATORY, STANDARDS AND INTERPRETATIONS

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

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

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

* Adjusted by EU endorsement, if applicable

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

2. SIGNIFICANT CONSOLIDATION, ACCOUNTING AND VALUATION PRINCIPLES

CONSOLIDATION PRINCIPLES

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

GROUP OF CONSOLIDATED COMPANIES

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

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

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

↗ T.08 GROUP OF CONSOLIDATED COMPANIES

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

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

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

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

The Group companies are allocated to regions as follows:

↗ T.09 LIST OF SHAREHOLDINGS

AS OF 31 DECEMBER 2023

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

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

AS OF 31 DECEMBER 2023

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

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

AS OF 31 DECEMBER 2023

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

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

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

CURRENCY CONVERSION

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

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

The significant conversion rates per euro are as follows:

↗ T.10 SIGNIFICANT CONVERSION RATES

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

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

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

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

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

ACCOUNTING AND VALUATION PRINCIPLES

FINANCIAL INSTRUMENTS

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

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

DERIVATIVE FINANCIAL INSTRUMENTS/HEDGE ACCOUNTING

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

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

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

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

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

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

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

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

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

PUMA AS LESSEE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PUMA AS LESSOR

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

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

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

CASH AND CASH EQUIVALENTS

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

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

INVENTORIES

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

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

TRADE RECEIVABLES

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

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

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

OTHER FINANCIAL ASSETS

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

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

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

INVESTMENTS

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

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

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

PROPERTY, PLANT AND EQUIPMENT

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

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

INVESTMENT PROPERTY

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

OTHER INTANGIBLE ASSETS (NOT INCLUDING GOODWILL)

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

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

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

IMPAIRMENT OF ASSETS

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

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

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

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

BORROWINGS, OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES

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

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

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

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

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

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

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

OTHER PROVISIONS

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

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

MANAGEMENT INCENTIVE PROGRAMMES

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

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

RECOGNITION OF SALES

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

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

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

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

ROYALTY AND COMMISSION INCOME

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

ADVERTISING AND PROMOTIONAL EXPENSES

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

FINANCIAL RESULT

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

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

INCOME TAXES

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

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

DEFERRED TAXES

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

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

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

ESTIMATION UNCERTAINTY

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

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

Goodwill and brands

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

Inventories

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

Liabilities from refund obligations

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

Taxes

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

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

PUMA as lessee

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

DISCRETIONARY DECISIONS

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

Evaluation of the control of companies with non-controlling interests

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

PUMA as lessee

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

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

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

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

3. CASH AND CASH EQUIVALENTS

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

4. INVENTORIES

Inventories are allocated to the following main groups:

↗ T.11 **INVENTORIES** (in € million)

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

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

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

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

5. TRADE RECEIVABLES

The trade receivables are broken down as follows:

↗ T.12 TRADE RECEIVABLES (in € million)

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

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

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

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

The age structure of the trade receivables is as follows:

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

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

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

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

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

6. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets are broken down as follows:

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

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

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

7. OTHER CURRENT ASSETS

Other current assets are broken down as follows:

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

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

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

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

8. DEFERRED TAXES

Deferred taxes relate to the items shown below:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

10. LEASES

PUMA AS LESSEE

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

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

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

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

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

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

The following lease liabilities result:

↗ T.25 LEASE LIABILITIES (in € million)

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

The amounts recognised in the income statement are as follows:

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

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

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

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

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

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

The maturity analysis of lease liabilities is as follows:

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

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

PUMA AS LESSOR

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

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

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

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

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

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

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

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

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

11. INTANGIBLE ASSETS

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

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

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

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

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

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

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

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

INFORMATION ON PLANNING ASSUMPTIONS FOR IMPAIRMENT TESTS

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

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

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

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

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

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

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

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

INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE

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

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

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

GOODWILL

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

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

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

Assumptions used in conducting the impairment tests in 2023:

↗ T.33 ASSUMPTIONS IMPAIRMENT TEST 2023

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

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

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

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

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

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

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

↗ T.34 ASSUMPTIONS IMPAIRMENT TEST 2022

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

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

12. OTHER NON-CURRENT ASSETS

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

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

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

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

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

13. LIABILITIES

The residual terms of liabilities are as follows:

↗ T.36 **LIABILITIES** (in € million)

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

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

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

14. FINANCIAL INSTRUMENTS

CARRYING AMOUNTS OF FINANCIAL INSTRUMENTS AND ALLOCATION TO VALUATION CATEGORIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NET RESULT BY VALUATION CATEGORIES

The following table shows the net result by valuation category:

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

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

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

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

General administrative expenses include changes in risk provisions for receivables.

DISCLOSURES RELATING TO FINANCIAL RISKS

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

- Default risk
- Liquidity risk
- Market risk

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

PRINCIPLES OF RISK MANAGEMENT

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

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

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

DEFAULT RISK

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

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

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

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

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

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

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

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

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

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

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

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

LIQUIDITY RISK

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

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

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

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

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

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

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

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

The following values were determined for the previous year:

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

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

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

MARKET RISK

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

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

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

CURRENCY RISK

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

↗ T.46 AVERAGE HEDGING RATES

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

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

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

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

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

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

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

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

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

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

INTEREST-RATE RISKS

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

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

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

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

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

↗ T.49 AVERAGE HEDGED INTEREST RATE

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

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

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

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

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

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

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

INFORMATION ON HEDGING INSTRUMENTS THAT ARE IN A HEDGING RELATIONSHIP

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

T.51 DESIGNATED HEDGE ITEMS (in € million)

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

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

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

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

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

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

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

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

15. PENSION PROVISIONS

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

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

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

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

The following values were determined in the previous year:

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

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

The main pension arrangements are described below:

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

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

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

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

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

The changes in the plan assets are as follows:

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

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

The pension provision for the Group is derived as follows:

↗ T.58 PENSION PROVISION (in € million)

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

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

The changes in pension provisions are as follows:

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

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

The expenses in financial year 2023 are structured as follows:

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

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

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

Actuarial gains and losses recorded in Other Comprehensive Income:

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

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

Plan assets investment classes:

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

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

Of which, investment classes with a quoted market price:

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

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

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

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

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

T.64 ASSUMPTIONS USED TO DETERMINE THE PENSION OBLIGATIONS

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

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

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

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

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

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

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

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

16. OTHER PROVISIONS

T.66 OTHER PROVISIONS (in € million)

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

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

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

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

17. EQUITY

SUBSCRIBED CAPITAL

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

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

Changes in the outstanding shares:

↗ T.67 CHANGE IN OUTSTANDING SHARES

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

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

CAPITAL RESERVE

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

REVENUE RESERVES INCL. RETAINED EARNINGS

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

DIFFERENCE FROM CURRENCY CONVERSION

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

CASH FLOW HEDGES

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

TREASURY STOCK

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

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

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

AUTHORISED CAPITAL

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

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

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

CONDITIONAL CAPITAL

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

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

No use has been made of this authorisation to date.

DIVIDENDS

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

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

Proposed appropriation of the retained earnings of PUMA SE:

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

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

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

NON-CONTROLLING INTERESTS

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

CAPITAL MANAGEMENT

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

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

18. MANAGEMENT INCENTIVE PROGRAMMES

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

The current programmes are described below:

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

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

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

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

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

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

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

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

EXPLANATION OF THE "GAME CHANGER 2.0" PROGRAMME

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

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

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

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

EXPLANATION OF THE "GAME CHANGER 2.0 – 2023" PROGRAMME

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

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

EXPLANATION OF THE "GAME CHANGER 2.0 – 2024" PROGRAMME

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

EXPLANATION OF THE "GAME CHANGER 2.0 – 2026" PROGRAMME

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

EXPLANATION OF THE "ROAD 2 10B" PROGRAMME

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

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

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

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

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

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

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

NOTES TO THE CONSOLIDATED INCOME STATEMENT

19. SALES

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

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

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

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

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

20. OTHER OPERATING INCOME AND EXPENSES

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

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

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

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

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

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

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

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

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

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

↗ T.74 PERSONNEL COSTS (in € million)

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

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

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

↗ T.75 EMPLOYEES

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

As of the end of the year, a total of 18,681 individuals were employed (previous year: 18,071).

21. FINANCIAL RESULT

The financial result consists of:

↗ T.76 FINANCIAL RESULT (in € million)

	2023	2022
Interest income	36.6	32.3
Interest income - lease receivables	1.2	0.0
Other	74.9	47.1
Financial income	**112.7**	**79.4**
Interest expense	-53.1	-15.2
Interest expense - lease liabilities	-46.8	-38.6
Interest expense of valuation of pension plans	-0.9	-0.6
Expenses from currency-conversion differences, net	-69.4	-2.2
Other	-85.9	-111.7
Financial expenses	**-256.0**	**-168.3**
Financial result	**-143.3**	**-88.9**

The "Other" item in the financial income of € 74.9 million (previous year: € 47.1 million) includes interest components in connection with currency derivatives as well as hedging gains from freestanding derivatives.

The item "Other" in financial expenses includes, among other things, interest components in connection with currency derivatives in the amount of € 58.1 million (previous year: € 69.9 million) and the loss on the net monetary position associated with hyperinflation in the amount of € 23.7 million (previous year: € 27.8 million).

22. INCOME TAXES

↗ T.77 INCOME TAXES (in € million)

	2023	2022
Current income taxes	140.6	152.5
Deferred taxes	-22.8	-25.1
Total	**117.8**	**127.4**

Current income taxes include € 0.8 million in out-of-period income. Deferred taxes include tax income of € 0.3 million (tax income in previous year: € 39.2 million), which is attributable to the occurrence or resolution of temporary differences.

In general, PUMA SE and its German subsidiaries are subject to corporate income tax, plus a solidarity surcharge and trade tax. Thus, a weighted mixed tax rate of 27.22% continued to apply for the financial year.

Reconciliation of the theoretical tax expense with the effective tax expense:

↗ T.78 TAX RATE RECONCILIATION (in € million)

	2023	2022
Earnings before income tax	478.3	551.7
Theoretical tax expense		
Tax rate of the SE = 27.22% (previous year: 27.22%)	130.2	150.2
Tax rate difference with respect to other countries	-21.0	-6.9
Other tax effects:		
Income tax for previous years	3.7	-9.7
Losses and temporary differences for which no tax claims were recognized	6.4	4.8
Changes in tax rates	-0.4	-0.6
Non-deductible expenses for tax purposes and non-taxable income and other effects	-1.1	-10.4
Effective tax expense	**117.8**	**127.4**
Effective tax rate	24.6%	23.1%

For the financial year 2023, the total tax advantage from previously uncapitalised tax losses, tax credits or temporary differences from previous years which led to a reduction in deferred tax expenses, amounted to € 7.5 million (previous year: € 7.0 million). Deferred tax expenses due to an impairment of deferred tax assets amounted to € 11.3 million in the financial year (previous year: € 5.0 million).

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

INFORMATION ON THE EFFECTS OF GLOBAL MINIMUM TAXATION (PILLAR II)

On 23 May 2023, the IASB published amendments to IAS 12, which require companies subject to global minimum taxation regulations to provide additional information on the impact of the global minimum taxation in their annual financial statements for financial years beginning on or after 1 January 2023.

The PUMA Group falls within the scope of application of the global minimum taxation. The relevant legislation entered into force on 28 December 2023 in Germany, the country in which the parent company of the PUMA Group is based, and applies to financial years beginning after 31 December 2023. As the Minimum Tax Act ("MinStG") applies to the financial year of the PUMA Group beginning on 1 January 2024, but was not yet applicable to the financial year beginning on 1 January 2023, the PUMA Group has no associated ongoing tax risk in financial year 2023. Taking into account the fact that the PUMA Group will be affected by the minimum tax legislation, a preliminary valuation of the potential risk was carried out.

The valuation of the potential risk of Pillar II taxes is based on the most recent country-related reports and financial statements available to the Group's business units. The Group has identified a potential risk of the suspension of Pillar II taxes on profits made in Hong Kong and the United Arab Emirates. The potential risk arises from the business units (mainly operating subsidiaries) in these countries, where the effective tax rate is likely to be less than 15%.

If the MinStG had been applied for this financial year ending on 31 December 2023, the amount of the tax increase determined according to the MinStG would have totalled approx. € 12 million. However, the actual amounts of tax increases in the countries concerned in 2024 will depend on various factors.

The PUMA Group makes use of the exemption under IAS 12.88A for the recognition of deferred taxes that result from the introduction of global minimum taxation.

23. EARNINGS PER SHARE

The earnings per share are determined in accordance with IAS 33 by dividing the consolidated annual surplus (consolidated net earnings) attributable to the shareholders of the parent company by the weighted average number of outstanding shares.

The calculation is shown in the table below:

↗ T.79 EARNINGS PER SHARE

	2023	**2022**
Net income attributable to the shareholders of PUMA SE (€ million)	304.9	353.5
Weighted average number of outstanding shares (shares)	149,852,251	149,649,158
Earnings per share (€)	**2.03**	**2.36**
Net income for calculating the diluted earnings per share (€ million)	304.9	353.5
Weighted average number of outstanding shares (shares)	149,852,251	149,649,158
Dilutive effect of conditionally issuable shares in connection with service agreements	0	12,107
Dilutive effect from share-based payments	19,651	2,573
Weighted average number of outstanding shares, diluted (shares)	149,871,901	149,663,837
Earnings per share (€) - diluted	**2.03**	**2.36**

ADDITIONAL INFORMATION

24. SEGMENT REPORTING

Segment reporting is based on geographical areas of responsibility in accordance with the PUMA internal reporting structure, with the exception of stichd. The geographical area of responsibility corresponds to the business segment. Sales, the operating result (EBIT) and other segment information are allocated to the corresponding geographical areas of responsibility according to the registered office of the respective Group company.

The internal management reporting includes the following reporting segments: Europe, EEMEA (Eastern Europe, Middle East, Africa, India and Southeast Asia), North America, Latin America, Greater China, rest of Asia/Pacific (excluding Greater China and Southeast Asia) and stichd. These are reported as reportable business segments in accordance with the criteria of IFRS 8.

The reconciliation includes information on assets, liabilities, expenses and income in connection with centralised functions that do not meet the definition of business segments in IFRS 8. Central expenses and income include in particular central sourcing, central treasury, central marketing, impairment losses on non-current assets and other global functions of the Company headquarters.

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

The external sales presented in the segment reporting includes sales from both the wholesale business and own retail activities (direct-to-consumer business). The percentage breakdown of sales by wholesale business and direct-to-consumer business at the segment level mainly aligns with the breakdown at the Group level (see chapter 19). Exceptions to this are the Greater China segment, where wholesale sales represent approximately 50%, and the stichd segment, which almost exclusively generates wholesale sales.

The business relationships between the companies in the segments are essentially based on prices that are also agreed with third parties. With the exception of sales of goods by stichd amounting to € 37.1 million (previous year: € 38.3 million), there are no significant internal sales, which is why they are not included in the presentation.

The operating result (EBIT) of the business segments is defined as gross profit less the attributable other operating expenses plus royalty and commission income and other operating income, but not considering the costs of the central departments and the central marketing expenses.

The external sales, operating result (EBIT), inventories and trade receivables of the business segments are regularly reported to the main decision-maker. Amounts recognised by the Group from the intra-group profit elimination on inventories in connection with intra-group sales are not allocated to the business segments in the way that they are reported to the main decision-maker. Investments, depreciation and non-current assets at the level of the business segments are not reported to the main decision-maker. Intangible assets are allocated to the business segments in the manner described in chapter 11. Liabilities, the financial result and income taxes are not allocated to the business segments and are therefore not reported to the main decision-maker at the business segment level.

Non-current assets and depreciation comprise the carrying amounts and depreciation of property, plant and equipment, right-of-use assets and intangible assets during the past financial year. The investments comprise additions to property, plant and equipment and intangible assets.

Since PUMA is active in only one business area, the sporting goods industry, products are additionally allocated according to the Footwear, Apparel and Accessories product segments in accordance with the internal reporting structure.

SEGMENT REPORTING JAN-DEC 2023

↗ T.80 BUSINESS SEGMENTS (in € million)

	External Sales		EBIT		Investments	
	1-12/2023	1-12/2022	1-12/2023	1-12/2022	1-12/2023	1-12/2022
Europe	2,016.0	1,922.5	251.4	242.0	25.8	33.6
EEMEA	1,626.2	1,333.3	392.1	308.5	28.1	30.2
North America	2,095.9	2,531.4	295.0	398.9	75.5	67.6
Latin America	1,239.9	1,098.3	285.3	285.2	75.8	34.6
Greater China	582.2	521.3	84.5	20.2	10.3	20.3
Asia/Pacific (excluding Greater China)	551.7	588.5	61.2	73.4	6.5	7.2
stichd	459.4	469.8	89.5	113.2	22.1	21.2
Total business segments	**8,571.3**	**8,465.1**	**1,458.9**	**1,441.2**	**244.1**	**214.7**

	Depreciation and amortization		Inventories		Trade Receivables (third parties)	
	1-12/2023	1-12/2022	1-12/2023	1-12/2022	1-12/2023	1-12/2022
Europe	61.7	58.5	498.5	602.5	196.4	190.3
EEMEA	55.6	55.8	338.4	378.5	286.5	189.4
North America	83.3	71.2	466.1	739.3	204.9	259.2
Latin America	39.2	23.1	306.9	253.1	223.7	200.7
Greater China	29.3	39.7	109.6	179.1	40.6	44.5
Asia/Pacific (excluding Greater China)	28.1	31.6	97.8	114.7	91.5	111.4
stichd	11.2	8.3	104.8	93.9	72.1	66.1
Total business segments	**308.3**	**288.2**	**1,922.0**	**2,361.1**	**1,115.7**	**1,061.6**

T.81 CONTINUATION BUSINESS SEGMENTS (in € million)

	Non-current assets	
	1-12/2023	1-12/2022
Europe	477.4	477.1
EEMEA	186.1	198.1
North America	741.8	750.4
Latin America	221.5	128.2
Greater China	91.8	86.2
Asia/Pacific (excluding Greater China)	121.7	149.4
stichd	226.0	209.6
Total business segments	**2,066.4**	**1,999.1**

T.82 PRODUCT External Sales (€ million) Gross Profit Margin (in %)

	External Sales		Gross Profit Margin	
	1-12/2023	1-12/2022	1-12/2023	1-12/2022
Footwear	4,583.4	4,317.9	45.4%	44.9%
Apparel	2,763.0	2,896.3	47.8%	47.3%
Accessories	1,255.3	1,251.0	46.6%	47.4%
Total	**8,601.7**	**8,465.1**	**46.3%**	**46.1%**

RECONCILIATIONS

↗ T.83 RECONCILIATIONS (in € million)

	External Sales	
	1-12/2023	1-12/2022
Total business segments	8,571.3	8,465.1
Central Areas	30.4	0.0
Total	**8,601.7**	**8,465.1**

	EBIT	
	1-12/2023	1-12/2022
Total business segments	**1,458.9**	**1,441.2**
Central Areas	-344.6	-364.4
Central expenses Marketing	-492.7	-436.2
Consolidation	0.0	0.0
EBIT	**621.6**	**640.6**
Financial Result	**-143.3**	**-88.9**
EBT	**478.3**	**551.7**

	Investments		Depreciation and amortization	
	1-12/2023	1-12/2022	1-12/2023	1-12/2022
Total business segments	**244.1**	**214.7**	**308.3**	**288.2**
Central Areas	55.5	49.3	43.4	44.6
Consolidation	0.0	0.0	0.0	0.0
Total	**299.6**	**263.9**	**351.7**	**332.8**

	Inventories		Trade Receivables (third parties)		Non-current assets	
	1-12/2023	1-12/2022	1-12/2023	1-12/2022	1-12/2023	1-12/2022
Total business segments	**1,922.0**	**2,361.1**	**1,115.7**	**1,061.6**	**2,066.4**	**1,999.1**
Not allocated to the business segments	-117.7	-116.0	2.8	3.3	237.7	211.0
Total	**1,804.4**	**2,245.1**	**1,118.4**	**1,064.9**	**2,304.1**	**2,210.1**

GEOGRAPHICAL INFORMATION

Sales revenue (with third parties) is reported in the geographical market in which it arises. Non-current assets are allocated to the geographical market based on the registered office of the relevant subsidiary, regardless of the segment structure.

↗ T.84 GEOGRAPHICAL INFORMATION BY COUNTRY (in € million)

	External Sales		Non-current assets	
	1-12/2023	**1-12/2022**	**1-12/2023**	**1-12/2022**
Germany, Europe	631.6	586.3	507.0	488.3
USA, North America	1,933.7	2,334.2	604.5	604.7

25. NOTES TO THE CASH FLOW STATEMENT

The cash flow statement was prepared in accordance with IAS 7 and is structured based on cash flows from operating, investing and financing activities. The indirect method is used to determine the cash outflow/inflow from operating activities. The gross cash flow, derived from earnings before income tax and adjusted for non-cash income and expense items, is determined within the cash flow from operating activities. Cash outflow/inflow from operating activities less investments in property, plant and equipment as well as intangible assets is referred to as free cash flow.

The cash and cash equivalents reported in the cash flow statement include all cash and cash equivalents shown in the statement of financial position under the item "Cash and cash equivalents", i.e. cash on hand, checks and current bank balances including short-term financial investments.

The following table shows the cash and non-cash changes in financial liabilities in accordance with IAS 7.44 A:

↗ T.85 RECONCILIATION OF FINANCIAL LIABILITIES TO THE CASH INFLOW/ OUTFLOW FROM FINANCING ACTIVITIES 2023 (in € million)

			Non-cash changes			
	Notes	**Balance 01/01/2023**	**Currency changes**	**Other**	**Cash changes**	**Balance 31/12/2023**
Financial liabilities						
Lease liabilities	10	1,230.4	-44.9	254.9	-208.0	1,232.4
Current borrowings	13	75.9	-0.6	129.8	-59.1	145.9
Non-current borrowings	13	251.5	0.0	-125.0	299.6	426.1
Total		**1,557.8**	**-45.6**	**259.7**	**32.5**	**1,804.4**

T.86 RECONCILIATION OF FINANCIAL LIABILITIES TO THE CASH INFLOW/ OUTFLOW FROM FINANCING ACTIVITIES 2022 (in € million)

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

The lease liabilities of €1,232.4 million (previous year: €1,230.4 million) break down into current lease liabilities of €212.4 million (previous year: €200.2 million) and non-current lease liabilities of €1,020.0 million (previous year: €1,030.3 million).

26. OTHER FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

OTHER FINANCIAL OBLIGATIONS

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

T.87 COMMITMENTS FROM LICENSE, PROMOTIONAL AND ADVERTISING AGREEMENTS (in € million)

	2023	2022
From license, promotional and advertising agreements:		
Due within one year	402.4	348.6
Due between one and five years	1,203.5	781.1
Due after five years	314.2	130.8
Total	**1,920.2**	**1,260.5**

As is customary in the industry, the promotional and advertising agreements provide for additional payments on reaching pre-defined goals (e.g. medals, championships). These are contractually agreed, but by their nature cannot be predicted exactly in terms of their timing and amount.

In addition, there are other financial obligations totalling €246.5 million, of which, €146.5 million relate to the years from 2025. These include service agreements of €234.2 million as well as other obligations of €12.3 million.

CONTINGENT LIABILITIES

Individual PUMA companies are involved in legal disputes arising from normal operating activities, e.g. relating to intellectual property rights and employee matters. If an outflow of resources from these legal disputes is classified as probable and the amount of the obligation can be reliably estimated, the risks arising from these legal disputes are included in the other provisions. However, if the probability of occurrence is classified as low, these legal disputes are recognised as contingent liabilities, which are estimated at € 0.8 million in this financial year (previous year: € 3.1 million). Contingent liabilities also exist due to uncertainties in the appraisal of the facts by the tax and customs authorities in India. Based on external reports, the Management currently assumes that the receivables of Indian tax and customs authorities will not result in any cash outflow. Overall, the PUMA Management considers that the impact of the total of the contingent liabilities on the net assets, financial position and results of operations of the Company is immaterial.

27. COMPENSATION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

Disclosures pursuant to Section 314(1) 6 HGB (German Commercial Code [Handelsgesetzbuch]) in conjunction with Section 315e HGB.

COMPENSATION OF THE MEMBERS OF THE MANAGEMENT BOARD

The total compensation of the members of the Management Board in financial year 2023 was € 10.3 million (previous year: € 11.9 million).

The total remuneration of the Management Board includes the share-based remuneration granted for the financial year with a fair value of € 4.2 million (previous year: € 1.7 million) and 81,279 performance shares were issued (previous year: 16,457). The total remuneration for the previous year also includes the issue of 30,968 virtual shares of the PUMA Monetary Unit Plan with a fair value of € 3.0 million.

TOTAL COMPENSATION OF FORMER MEMBERS OF THE MANAGEMENT BOARD

The total remuneration of former members of the Management Board and their surviving dependents amounted to € 2023 million in financial year 0.7 (previous year: € 0.7 million).

In addition, there were defined benefit pension obligations to former members of the Management Board and their widows/widowers amounting to € 2.4 million (previous year: € 2.5 million) as well as defined contribution plans from deferred compensation of former members of the Management Board and Managing Directors amounting to € 47.2 million (previous year: € 17.3 million). Both items are recognised accordingly within pension provisions to the extent they were not offset against plan assets of an equal amount.

COMPENSATION OF THE SUPERVISORY BOARD

The compensation paid to the Supervisory Board comprised fixed compensation and additional compensation for committee activities, and amounted to a total of € 0.4 million (previous year: € 0.2 million).

28. DISCLOSURES RELATED TO NON-CONTROLLING INTERESTS

The summarised financial information about subsidiaries of the Group in which non-controlling interests exist is presented below. This financial information relates to all companies with non-controlling interests in which the identical non-controlling shareholder holds an interest. The figures represent the amounts before intercompany eliminations.

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

The Group holds a 51% capital share in PUMA United North America LLC, PUMA United Canada ULC and Janed Canada LLC (inactive company). With these companies, there are profit-sharing arrangements in place which differ from the capital share for the benefit of the respective identical non-controlling shareholder. PUMA receives higher license fees in exchange.

In addition, there is a shareholding in the capital and the result, amounting to 70%, in the company PUMA United Aviation North America LLC.

The contractual agreements with these companies respectively provide PUMA with a majority of the voting rights at the shareholder meetings, and thus the right of disposal regarding these companies. PUMA is exposed to fluctuating returns from the sales-based license fees and from variable earnings. The Group also controls the key activities of these companies. The companies are accordingly included in the consolidated financial statements as subsidiaries with full consolidation with recognition of non-controlling interests.

The non-controlling interests existing on the balance sheet date relate to PUMA United North America LLC, PUMA United Canada ULC, Janed Canada, LLC (inactive) and PUMA United Aviation North America LLC at € 28.9 million (previous year: € 67.1 million).

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

↗ T.88 **ASSETS AND LIABILITIES** (in € million)

	2023	2022
Current assets	112.9	105.8
Non-current assets	8.6	10.3
Current liabilities	85.3	40.4
Non-current liabilities	0.0	0.0
Net assets	36.3	75.7
Net assets attributable to non-controlling interests	28.9	67.1

↗ **T.89 INCOME STATEMENT** (in € million)

	2023	2022
Sales	411.8	452.2
Net income	56.8	72.0
Profit attributable to non-controlling interests	55.7	70.9
Other comprehensive income of non-controlling interests	4.3	4.1
Total comprehensive income of non-controlling interests	54.2	75.0
Dividends paid to non-controlling interests	92.4	73.3

↗ **T.90 CASH** (in € million)

	2023	2022
Net cash from operating activities	101.8	79.4
Net cash used in investing activities	-0.3	0.0
Net cash used in financing activities	-101.4	-80.1
Changes in cash and cash equivalents	0.0	-0.4

29. RELATED PARTY RELATIONSHIPS

In accordance with IAS 24, relationships to related companies and persons that control or are controlled by the PUMA Group must be reported. All natural persons and companies that can be controlled by PUMA, that can exercise relevant control over the PUMA Group or that are under the relevant control of another related party of the PUMA Group are considered to be related companies or persons within the meaning of IAS 24.

As of 31 December 2023, there was one shareholding in PUMA SE that exceeded 20% of the voting rights. This is held by the Pinault family via several companies that the family controls (in order of proximity to the Pinault family: Financière Pinault S.C.A., Artémis S.A.S. and Kering S.A.). The share of Kering S.A. in PUMA SE amounted to 1.47% of the share capital at 18 September 2023. Combined, the shareholdings of Artémis S.A.S. and Kering S.A. amounted to 29.99% of the share capital of PUMA SE at 18 September 2023. Since Artémis S.A.S. and Kering S.A. hold more than 20% of the voting rights in PUMA SE, they are presumed to have significant influence according to IAS 28.5 and IAS 28.6. They and all other companies directly or indirectly controlled by Financière Pinault S.C.A. that are not included in the consolidated financial statements of PUMA SE are considered as related parties in the following.

In addition, the disclosure obligation pursuant to IAS 24 extends to transactions with associated companies as well as transactions with other related companies and persons.

Transactions with related companies and persons largely concern sales of goods and licensing agreements.

The following overview illustrates the scope of the business relationships:

↗ T.91 DELIVERIES AND SERVICES RENDERED AND RECEIVED (in € million)

	Deliveries and services rendered		Deliveries and services received	
	2023	2022	2023	2022
Companies included in the Artémis Group	2.1	1.7	0.0	0.1
Other related companies and persons	0.0	0.0	0.0	0.0
Total	**2.1**	**1.7**	**0.0**	**0.1**

↗ T.92 NET RECEIVABLES AND LIABILITIES (in € million)

	Net receivables from		Liabilities to	
	2023	2022	2023	2022
Companies included in the Artémis Group	0.3	0.3	0.0	0.0
Other related companies and persons	0.0	0.0	0.0	0.0
Total	**0.3**	**0.3**	**0.0**	**0.0**

Receivables from related companies and persons are not subject to value adjustments.

Classification of the remuneration of key management personnel in accordance with IAS 24.17:

The members of key management personnel in accordance with IAS 24 are the Management Board and the Supervisory Board. These are counted as related parties.

In financial year 2023, the remuneration of the members of the Management Board of PUMA SE for short-term benefits amounted to € 6.1 million (previous year: € 7.2 million), for termination benefits to € 0.0 million (previous year: € 0.0 million) and the share-based payment € 1.4 million (previous year: € -0.5 million). Furthermore, just like in the previous year, no remuneration was granted in the form of other long-term benefits or in the form of post-employment benefits in the reporting year. Accordingly, the total expenditure for the reporting year amounted to € 7.5 million (previous year: € 6.7 million).

In financial year 2023, the remuneration of the members of the Supervisory Board of PUMA SE for short-term benefits amounted to € 0.4 million (previous year: € 0.2 million).

30. CORPORATE GOVERNANCE

In November 2023, the Management Board and the Supervisory Board submitted the required compliance declaration with respect to the recommendations issued by the Government Commission German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz – AktG) and published it on the Company's website (**https://about.PUMA.com**). Please also refer to the corporate governance statement in accordance with section 289f and section 315d HGB (Handelsgesetzbuch, German Commercial Code) in the Combined Management Report.

31. EVENTS AFTER THE BALANCE SHEET DATE

No events with any significant effect on the net assets, financial position and results of operations of the PUMA Group occurred after the balance sheet date.

32. DATE OF RELEASE

The Management Board of PUMA SE released the consolidated financial statements on 7 February 2024 for distribution to the Supervisory Board. The task of the Supervisory Board is to review the consolidated financial statements and state whether it approves them.

Herzogenaurach, 7 February 2024

The Management Board

Freundt　　Hinterseher　　Descours　　Valdes

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

APPENDIX 1 OF THE CONSOLIDATED FINANCIAL STATEMENT

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

MEMBERS OF THE MANAGEMENT BOARD AND THEIR MANDATES

Arne Freundt
Chief Executive Officer (CEO)

Hubert Hinterseher
Chief Financial Officer (CFO)

Anne-Laure Descours
Chief Sourcing Officer (CSO)

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

MEMBERS OF THE SUPERVISORY BOARD AND THEIR MANDATES

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

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

Membership in other statutory supervisory boards in Germany: None

Membership in comparable domestic and foreign controlling bodies of commercial enterprises[2]

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

[2] All mandates are mandates within the ARTÈMIS/KERING-Group. Only Kering S.A. is a listed company.

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

President of Elimexo AB, Falsterbo/Sweden

Membership in other statutory supervisory boards in Germany: None

Membership in comparable domestic and foreign controlling bodies of commercial enterprises:

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

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

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

Membership in other statutory supervisory boards in Germany: None

Membership in comparable domestic and foreign controlling bodies of commercial enterprises[3]:

- Balenciaga S.A., Paris/Frankreich

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

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

Membership in other statutory supervisory boards in Germany: None

Membership in comparable domestic and foreign controlling bodies of commercial enterprises:

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

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

Independent Management Consultant

Membership in other statutory supervisory boards in Germany: None

Membership in comparable domestic and foreign controlling bodies of commercial enterprises: None

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[3] The mandate is a mandate within the Kering Group. Kering S.A. is a listed company. Balenciaga S.A. is not listed

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

Chair of the Works Council of PUMA SE

Membership in other statutory supervisory boards in Germany: None

Membership in comparable domestic and foreign controlling bodies of commercial enterprises: None

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

Teamhead IT Endpoint Management of PUMA SE

Membership in other statutory supervisory boards in Germany: None

Membership in comparable domestic and foreign controlling bodies of commercial enterprises: None

SUPERVISORY BOARD COMMITTEES

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

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

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

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

DECLARATION BY THE LEGAL REPRESENTATIVES

We state to the best of our knowledge that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the applicable accounting principles, and that the Group management report, which is combined with the Management report of PUMA SE for the financial year 2023, provides a true and fair view of the course of the development and performance of the business and the position of the Group, together with a description of the principal risks and opportunities associated with the expected performance of the Group.

Herzogenaurach, 7 February 2024

The Management Board

Freundt	Hinterseher	Descours	Valdes

INDEPENDENT AUDITOR'S REPORT

For the Consolidated Financial Statements and Group Management Report we have issued an unqualified auditor's report. The English language text below is a translation of the auditor's report. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

To PUMA SE, Herzogenaurach

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

OPINIONS

We have audited the consolidated financial statements of PUMA SE, Herzogenaurach, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the management report of the Company and the Group (combined management report) of PUMA SE for the financial year from January 1 to December 31, 2023.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. In accordance with German legal requirements, we have not audited the cross-references and the information to which the cross-references refer.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2023, and of its financial performance for the financial year from January 1 to December 31, 2023, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report. The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. Our audit opinion does not extend to the cross-references and the information to which the cross-references refer.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

BASIS FOR THE OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Revenue recognition cut-off for wholesale customers
For information on the accounting policies applied, please refer to Sections 2 and 19 in the notes to the consolidated financial statements.

THE FINANCIAL STATEMENT RISK
The consolidated financial statements of PUMA SE for financial year 2023 report revenue of EUR 8,601.7 million. Revenue includes revenue of EUR 6,468.6 million from the sale of goods to wholesale customers.

The Group recognizes revenue from the sale of goods to wholesale customers when it fulfils a performance obligation through the transfer of a promised asset to a customer. An asset is transferred when (or as) the customer obtains control of that asset. In accordance with the transfer of control, revenue from wholesale customers is recognized at a point in time in the amount to which the Group is entitled.

The Management Board of PUMA SE has defined the criteria for the recognition of revenue at a point in time in a group-wide accounting policy and implemented processes for correct recognition and cut-off.

In the final weeks prior to the reporting date, a range of transactions with wholesale customers take place with individual contractual agreements on the transfer of risk. In addition, there are internally defined and externally communicated revenue targets for the financial year, which represent a key benchmark for measuring corporate success.

There is the risk for the consolidated financial statements that revenue in the reporting year is overstated due to it being recognized in the wrong period, meaning that it is not recorded on an accrual basis.

OUR AUDIT APPROACH

In order to audit revenue recognition cut-off for wholesale customers, we assessed the design, setup and effectiveness of the internal controls relating to outgoing goods and the acceptance of goods and invoicing, in particular the determination and verification of the correct transfer of control. In addition, we reviewed the presentation of revenue recognition in the group-wide accounting policy to ensure compliance with IFRS 15.

Furthermore, we assessed revenue recognition cut-off for wholesale customers by reconciling invoices with the related orders, underlying contracts and external delivery records. This was based on revenue recognized at the end of December 2023 and selected using a mathematical/statistical procedure.

OUR OBSERVATIONS

PUMA SE's approach to revenue recognition cut-off with wholesale customers is appropriate.

Impairment testing of right-of-use assets for retail stores

For information on the accounting policies applied, please refer to Sections 2 and 10 in the notes to the consolidated financial statements.

THE FINANCIAL STATEMENT RISK

As of December 31, 2023, right-of-use assets of EUR 1,087.7 million are recognized in the consolidated financial statements of PUMA SE. A significant portion of the right-of-use assets is attributable to retail stores (EUR 464.2 million). Right-of-use assets amount to 16.4% of total assets and thus have a material influence on the Company's net assets.

Owing to the large number of leases and the resulting transactions, the Company has set up group-wide processes and controls for the measurement of leases.

Right-of-use assets for retail stores are tested for impairment at the level of the individual retail stores as cash-generating units. The impairment test compares the carrying amount of the cash-generating unit with its recoverable amount. The Company determines the recoverable amount for the retail stores indicating potential impairment by using the discounted cash flow method. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized for the right-of-use asset of the cash-generating unit. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Impairment testing of right-of-use assets for retail stores is complex and based on a range of assumptions that require judgment. Among others, these include the business and earnings performance of the retail store for the next year, the assumed growth rates, the applied discount rate and the use of extension options. The Company recognized impairment losses in the amount of EUR 5.7 million for right-of-use assets for retail stores during the financial year.

In particular owing to the judgments for measuring right-of-use assets for retail stores, there is the risk for the consolidated financial statements that an impairment of right-of-use assets may not be identified.

OUR AUDIT APPROACH
Using the information obtained during our audit, we assessed whether there were any indicators of impairment for right-of-use assets for retail stores. In doing so, we thoroughly examined the Company's approach to determining the need to recognize impairment losses and, based on the information obtained in the course of our audit, assessed whether there were any indications of impairment that had not been identified by the Company.

With the involvement of our valuation specialists, for a sample of retail stores selected based on risk, we then assessed (among other things) the appropriateness of the Company's calculation method. For this purpose we discussed the expected business and earnings development for the retail stores selected in this sample and the assumed growth rates with those responsible for planning. Where accounting judgments were made for determining the lease term, we examined these judgments to determine whether the underlying assumptions were comprehensible in light of the prevailing market conditions and risks in the industry.

We also assessed the accuracy of the Company's previous forecasts for the affected right-of-use assets by comparing the budgets from the previous financial year for the selected retail stores in the sample with the actual results, and we analyzed any deviations. Further, we compared the assumptions and data underlying the discount rates with our own assumptions and publicly available data. We also assessed whether the calculation method for the discount rate was appropriate.

We verified the computational accuracy of the carrying amount of the right-of-use assets determined by PUMA SE for the retail stores included in the sample.

In order to take forecast uncertainty into account, we examined the impact of potential changes in the discount rate, earnings performance and long-term growth rates on the value in use by calculating alternative scenarios for the selected sample and comparing these with the values stated by the Company (sensitivity analysis).

OUR OBSERVATIONS
The calculation method used for impairment testing of right-of-use assets for retail stores is appropriate and in line with the accounting policies to be applied.

The Company's assumptions and data used for the measurement of the right-of-use assets for retail stores are appropriate.

OTHER INFORMATION

The Management Board and/or the Supervisory Board is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the Company's and Group's separate combined non-financial report, which is referred to in the combined management report, and
- the combined corporate governance statement for the Company and Group, which is included in a separate section of the combined management report, and
- information extraneous to combined management reports and marked as unaudited.

The other information also includes the annual report, which is expected to be made available to us after the date of this independent auditor's report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

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

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

RESPONSIBILITIES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The Management Board is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the Management Board is responsible for such internal control as it has determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Management Board is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Management Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the Management Board and the reasonableness of estimates made by the Management Board and related disclosures.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Management Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Management Board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH SECTION 317 (3A) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file „PUMA KA 2023.zip" (SHA256-Hashwert: 3d9c82efdcc3657b21661fc4c90debfbfafac65be5b3f152055611b47a544d9b) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2023, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1) (09.2022).

Owing to the conversion process selected by the Company concerning the information in the notes in iXBRL format (block tagging), the consolidated financial statements converted into the ESEF format are not machine-readable in a fully meaningful respect. There is significant legal uncertainty regarding the legal conformity of the Management Board's interpretation that meaningful machine-readability of the structured information in the notes is not explicitly required by Commission Delegated Regulation (EU) 2019/815 for the block tagging of the notes, which thus also constitutes an inherent uncertainty of our audit.

The Company's Management Board is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's Management Board is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

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

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor at the Annual General Meeting on May 24, 2023. We were engaged by the Supervisory Board on November 21, 2023. We have been the group auditor of PUMA SE without interruption since financial year 2022.

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

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Matthias Koeplin.

Nuremberg, February 9, 2024

KPMG AG

Wirtschaftsprüfungsgesellschaft

Koeplin Wirtschaftsprüfer [German Public Auditor]	Behrendt Wirtschaftsprüferin [German Public Auditor]