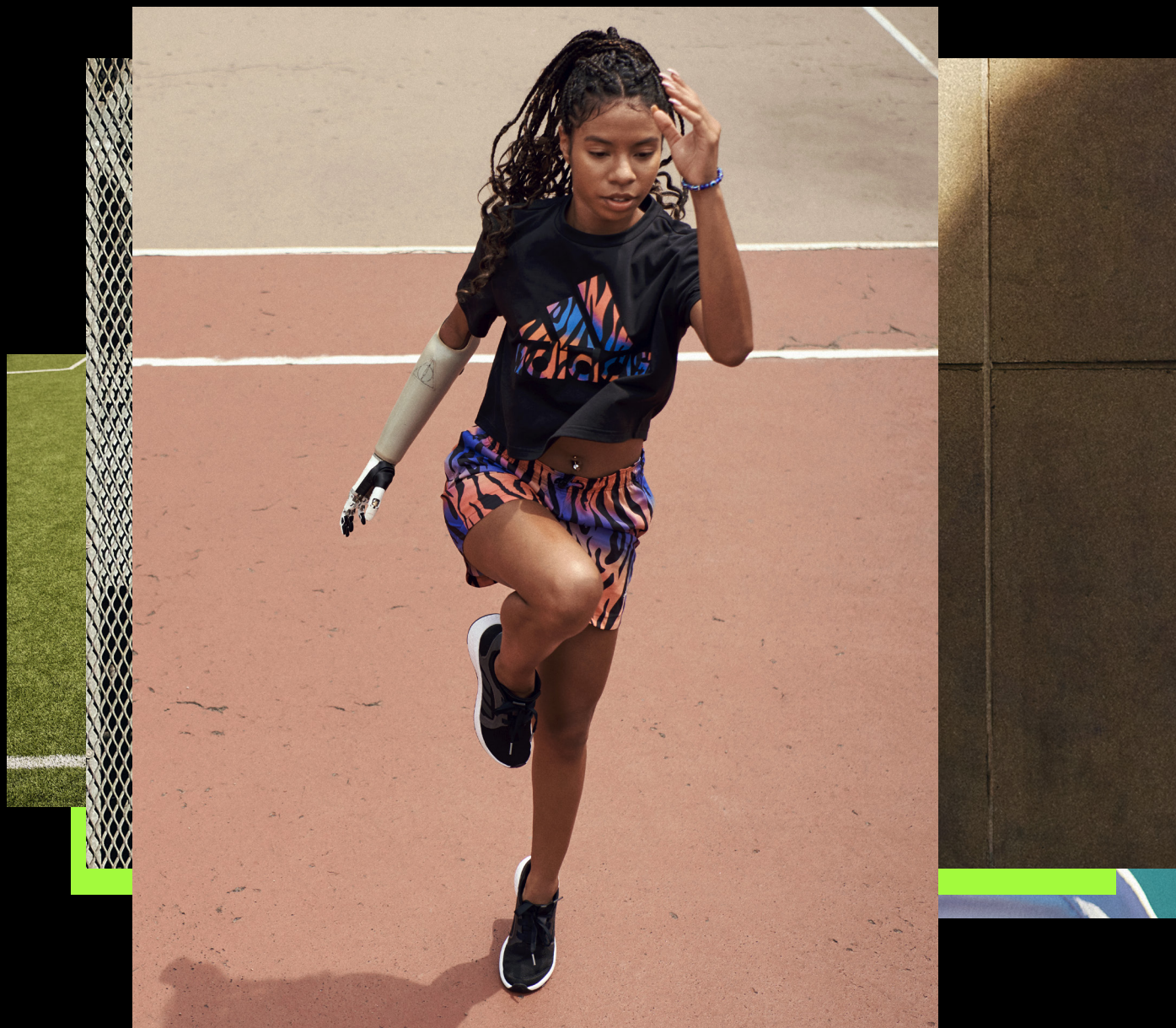


adidas



ANNUAL FINANCIAL STATEMENTS

OF ADIDAS AG

AS AT DECEMBER 31, 2021

CONTENT

Information on the combined Management Report	2
Balance Sheet	3
Income Statement	4
Notes	5
Supervisory Board and Executive Board (Appendix 1 to the Notes)	30
List of Shareholdings (Appendix 2 to the Notes)	36
Independent Auditors' Report	40
Responsibility Statement	49
Supervisory Board Report	50

COMBINED MANAGEMENT REPORT

The Management Report of adidas AG has been combined with the Management Report of the adidas Group in accordance with § 315 section 5 together with § 298 section 2 of the German Commercial Code (Handelsgesetzbuch – HGB) and is published in the 2021 Annual Report of the adidas Group.

The Financial Statements and the combined Management Report for adidas AG and the adidas Group for the 2021 financial year are filed with and published in the Federal Gazette.

The Financial Statements of adidas AG as well as the Annual Report for the 2021 financial year are also available for download on the Internet at

<http://www.adidas-group.com/en/investors/financial-reports/>

ANNUAL FINANCIAL STATEMENTS OF ADIDAS AG

BALANCE SHEET

€ THOUSAND

		Dec. 31, 2021	Dec. 31, 2020
ASSETS			
FIXED ASSETS	(1)		
Intangible assets	(2)	235,938	154,005
Tangible assets	(2)	691,403	682,862
Financial assets	(3)	4,800,936	4,839,124
		5,728,277	5,675,991
CURRENT ASSETS			
Inventories	(4)	38,048	39,584
Receivables and other assets	(5)	2,155,288	2,698,286
Securities	(6)	1,424,475	2,194,043
Cash and cash equivalents	(7)	1,599,503	1,255,556
		5,217,314	6,187,469
PREPAID EXPENSES	(8)	115,733	95,721
		11,061,324	11,959,181
EQUITY AND LIABILITIES			
EQUITY			
Subscribed capital ¹⁾	(9)	192,100	200,416
Par value treasury shares	(9)	-505	-5,350
Capital reserves	(9)	1,346,694	1,333,660
Revenue reserves	(9)	928,916	838,468
Retained earnings	(10)	1,334,169	1,165,665
		3,801,374	3,532,859
UNTAXED RESERVE	(11)	2,181	2,470
PROVISIONS/ACCRUALS	(12)	796,848	686,252
LIABILITIES	(13)	6,445,485	7,719,963
DEFERRED INCOME	(14)	15,436	17,637
		11,061,324	11,959,181

1) Contingent Capital 2018 at Dec. 31, 2021 in the amount of € 12,500 thousand (previous year € 12,500 thousand)

ANNUAL FINANCIAL STATEMENTS OF ADIDAS AG

INCOME STATEMENT

€ THOUSAND

		2021	2020
Sales	(16)	4,474,901	3,991,218
Change in inventory		58	1,135
Total output		4,474,959	3,992,353
Other operating income	(17)	649,230	986,100
Cost of materials	(18)	-1,744,168	-1,465,521
Personnel expenses	(19)	-768,375	-655,177
Amortization and write-downs of intangible fixed assets and depreciation and write-downs of tangible fixed assets	(20)	-117,404	-126,781
Other operating expenses	(21)	-2,461,873	-2,564,728
Income from operations		32,369	166,246
Income from investments in related companies	(22)	1,065,579	111,043
Profit received under a profit and loss transfer agreement	(23)	861,122	510,156
Impairments to financial assets		0	-210
Interest result	(24)	-10,910	-36,173
Taxes on income	(25)	-97,759	-76,218
Income after taxes		1,850,401	674,844
Other taxes		-632	-1,209
NET INCOME		1,849,769	673,635
Retained earnings brought forward		580,467	828,030
Transfer to revenue reserves		-924,880	-336,000
Transfer to capital reserves		-8,316	0
Utilization for share buyback		-162,871	0
RETAINED EARNINGS		1,334,169	1,165,665

NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF ADIDAS AG FOR THE YEAR ENDED DECEMBER 31, 2021

adidas AG is domiciled in 91074 Herzogenaurach, Adi-Dassler-Str. 1, and is registered in the commercial register of the Local Court of Fürth, under HRB 3868.

In the interest of providing a clearer overall picture, certain items in the balance sheet and income statement have been combined as permitted pursuant to § 265 (7) German Commercial Code (Handelsgesetzbuch – HGB) and have been disclosed and explained separately under the numerical text reference indicated below. The names and domiciles of other companies of which adidas AG holds, either directly or indirectly, investments according to § 271 (1) HGB and the disclosures related to these companies can be found in the shareholdings list in Appendix 2 to these notes.

Due to rounding principles, numbers presented may not sum up exactly to totals provided.

The financial statements have been prepared in accordance with the regulations of the German Commercial Code (Handelsgesetzbuch – HGB) and the German Stock Corporation Act (Aktiengesetz – AktG) in €. The income statement has been prepared in accordance with the total cost accounting method.

The combined management report pursuant to § 315 (5) HGB in conjunction with § 298 (2) HGB is published in the 2021 Annual Report.

ACCOUNTING POLICIES

Intangible and tangible fixed assets are recognized at (acquisition or production) cost. All recognizable direct and overhead costs are included in production costs. Also Internally generated intangible assets are capitalized. These result in a restriction on the distribution of reserves in the amount of € 2.492 thousand in accordance with §268 (8) HGB. Items with a finite useful economic life are subject to straight-line depreciation over their expected useful lives. Capitalization of borrowing costs does not take place.

The estimated useful life is 50 years maximum for business premises and 2 to 10 years for technical equipment and machinery, other equipment, operating and office equipment.

Low-value assets worth less than € 800 are written down to a zero net book value in the year of their acquisition.

Impairments are recognized, if the decrease in value is deemed to be permanent.

Financial assets are recognized at acquisition costs. An impairment is recognized, if the fair value is below the book value. The fair value is calculated using the discounted cash flow method based on the principles of IDW S 1. The enterprise value is derived from the present values of future cash flows discounted with an appropriate discount rate. Financial receivables towards the respective group companies are implicitly tested for impairment in the valuation model. If a financial asset needs to be impaired, the shares in affiliated companies are impaired before the financial receivables towards the respective group entity. If the reasons for the impairment cease to apply, the impairment is reversed, but only up to the value of the historical acquisition cost.

Inventories are measured at the lower of cost (acquisition or production cost) or market value. Production costs comprise direct costs that must be capitalized and appropriate portions of overhead costs. Allowances are taken for discernible fashion and technical risks, age structure, and marketability. Capitalization of borrowing costs does not take place. If the reasons for the write-down no longer apply, the write-down is reversed in accordance with § 253 (5) sentence 1 HGB to no higher than the historical cost of the inventories.

Receivables and other assets are generally recognized at nominal values. Individual adjustments and general allowances for doubtful accounts are taken to cover discernible risks.

Derivative financial transactions entered into with banks by Group Treasury (primarily forward currency and currency option transactions as well as equity instruments) are generally related to underlying transactions with Group companies. Hedge accounting is applied if there is a direct hedging relationship between these transactions. The net hedge presentation method is applied. The fair values of the hedges and hedged risk within a hedge portfolio are matched and offsetting changes in value from the hedge and the hedged risk are not recognized. Unrealized losses are recognized in profit or loss only if they are not covered by unrealized gains in the hedge accounting. Financial transactions that are not recognized using hedge accounting are measured individually at fair value. Any resulting losses are recognized in the profit or loss. Prospectively, due to the common material assessment features of the transactions, the hedging relationship can be assumed to be highly effective. Retrospectively, the effectiveness is proven by means of the hypothetical derivative method. The dollar-offset method is used for calculation of the amount of ineffectiveness.

Securities within current assets are measured at acquisition cost or fair value if lower as at the reporting date.

Cash-in-hand and bank balances are recognized at nominal value.

Prepaid expenses are recognized at nominal value.

Deferred taxes are recognized for temporary differences between the carrying amounts and tax bases for assets, liabilities, prepaid expenses and deferred income. Deferred taxes are calculated based on the combined income tax rate of adidas AG, which is currently 27,37%. The combined income tax rate comprises corporate income tax, solidarity surcharge and municipal trade tax.

A net tax burden would be recognized on the balance sheet as a deferred tax liability. There is an option to recognize a deferred tax asset granted under § 274 (1) sentence 2 HGB in the event of a tax benefit but this option is not exercised. In the fiscal year, the Company had a net deferred tax asset, which it did not recognize on its balance sheet.

Subscribed capital is recognized at the nominal amount.

The Company exercised its option to maintain the special tax-allowable reserve as permitted upon the first-time adoption of the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz, "BilMoG"). Accounting policies relating to this reserve and its reversal remain the same as previously.

Pension obligations are calculated on the basis of actuarial biometric assumptions (Heubeck mortality tables RT 2018 G) in accordance with the projected unit credit (PUC) method. The defined benefit obligation (DBO) recognized under the PUC method is defined as the actuarial present value of the pension obligations earned by the employees by the balance sheet date according to the retirement benefit formula and the vested pension amount based on their service in the past. Expected future pension benefit increases are factored in using a 1.0% to 1.8% p.a. (prior year 1.0% to 1.6%) growth rate in benefits. Fluctuation is assumed – as in the prior year – to range between 5% and 20%, depending on age. The rate used to discount the pension obligations in accordance with § 253 (2) sentence 2 HGB amounts to 1.87% as at December 31, 2021 (prior year: 2.31%); this rate is the average market interest rate for the past ten fiscal years for an assumed term of 15 years. In accordance with § 253 (6) sentence 2 HGB, the difference between the application of the average market interest rate for the past seven fiscal years 1.35% (prior year: 1.60%) and the application of the average market interest rate for the past ten fiscal years 1.87% (prior year: 2.31%) is subject to a restriction on distribution. The plan assets created in 2014 through the funding of the pension trust association were measured at fair value, in accordance with § 255 (4) HGB using amongst others an official recognized method for real estate valuation, and offset against the pension obligations.

The other provisions cover all discernible risks and uncertain obligations and are recognized at the settlement amount dictated by prudent business judgment in order to cover future payment obligations. Future price and cost increases are factored in, to the extent that there is sufficient objective evidence that they will occur. Provisions with terms in excess of one year are discounted in accordance with § 253 (2) sentence 1 HGB at the average market interest rate for their respective maturity over the past seven years, as published by the German Federal Bank (Deutsche Bundesbank). Provisions with terms of less than one year are not discounted. The effect from the annual adjustment of the discount rate applied to the provisions in accordance with § 253 (2) HGB is recognized immediately in the income statement.

Net income from the discounting of retirement pension obligations is shown in the income statement as part of the financial result under the item "other interest and similar income" and net expenses under the item "interest and similar expenses".

The provision for early retirement is recognized at the settlement amount.

Liabilities are recognized at their settlement amount.

Revenues are recognized once the risk of loss or damage of the goods has been transferred to the purchaser.

Licensing revenues are recognized in accordance with the underlying contractual agreements. Rights and revenues generally arise whenever the licensee generates sales revenue with adidas products.

Assets and liabilities denominated in a foreign currency are recorded at the mean spot rate as at the respective transaction date. Currency translation losses arising as at the balance sheet date due to the measurement of foreign-denominated assets and liabilities are reported in the income statement. Currency translation gains from the measurement of current assets and liabilities falling due within less than one year are recorded in the income statement in accordance with § 256a HGB. Currency translation gains are reported under "other operating income" and currency translation losses are reported under "other operating expenses".

Income from long-term equity investments is generally recognized during the period in which a claim to such income arises and it can be reasonably expected that the amounts due will be collected.

Profits resulting from a profit transfer agreement are recognized if the amounts to be transferred or absorbed can be determined with reasonable certainty, even if the annual financial statements of the subsidiary have not yet been adopted.

01 FIXED ASSETS

DEVELOPMENT OF FIXED ASSETS IN THE 2021 FISCAL YEAR

Amounts in EUR thousand		Acquisition and production costs				
		Jan. 1, 2021	Additions	Disposals	Reclassifications	Dec. 31, 2021
I. Intangible assets						
1.	Internally generated intangible assets	0	1,644	0	0	1,644
2.	Internally generated software under construction	0	848	0	0	848
3.	Purchased concessions, trademarks and similar rights and licences to such rights	792,754	129,215	-62,651	10,124	869,442
4.	Prepayments and assets under construction	22,142	23,983	0	-10,124	36,001
		814,896	155,690	-62,651	0	907,935
II. Tangible assets						
1.	Land, land rights and buildings	755,150	16,823	-2,046	28,634	798,561
2.	Technical equipment and machinery	70,893	6,660	-1,571	526	76,508
3.	Other equipment, operating and office equipment	352,947	13,596	-88,062	2,073	280,554
4.	Prepayments and assets under construction	35,470	17,641	-101	-31,233	21,777
		1,214,460	54,720	-91,780	0	1,177,400
III. Financial assets						
1.	Shares in affiliated companies	4,510,170	14,878	0	0	4,525,048
2.	Loans to affiliated companies	145,000	30,455	-25,000	0	150,455
3.	Equity investments	78,841	0	0	0	78,841
4.	Loans to non-affiliated companies	200	0	0	0	200
5.	Investment security	149,243	12,478	-70,999	0	90,722
		4,883,454	57,811	-95,999	0	4,845,266
Fixed Assets		6,912,810	268,221	-250,430	0	6,930,601

Accumulated depreciation				Net book values	
Jan. 1, 2021	Additions	Disposals	Dec. 31, 2021	Dec. 31, 2021	Dec. 31, 2020
0	83	0	83	1,561	0
0	0	0	0	848	0
660,891	73,673	-62,650	671,914	197,528	131,863
0	0	0	0	36,001	22,142
660,891	73,756	-62,650	671,997	235,938	154,005
198,522	21,961	-897	219,586	578,975	556,628
38,931	5,118	-1,086	42,963	33,545	31,962
294,145	16,569	-87,266	223,448	57,106	58,802
0	0	0	0	21,777	35,470
531,598	43,648	-89,249	485,997	691,403	682,862
44,330	0	0	44,330	4,480,718	4,465,840
0	0	0	0	150,455	145,000
0	0	0	0	78,841	78,841
0	0	0	0	200	200
0	0	0	0	90,722	149,243
44,330	0	0	44,330	4,800,936	4,839,124
1,236,819	117,404	-151,899	1,202,324	5,728,277	5,675,991

02 INTANGIBLE FIXED ASSETS AND TANGIBLE FIXED ASSETS

The significant additions primarily relate to software in an amount of € 129.215 thousand and advance payments and assets under construction in an amount of € 23.983 thousand for intangible assets and € 17,641 thousand for land, land rights and buildings. In 2021 internally generated software in an amount of € 1.644 thousand had been capitalized as well as an amount of € 848 thousand for internally generated software under construction. The IT development costs amount to € 7.504 thousand and thereof € 2.492 thousand had been capitalized – internal research costs did not occur.

03 LONG-TERM FINANCIAL ASSETS

The decrease in long-term financial assets primarily relates to the reduction of a contribution in cash for a share-based swap partly offset by the purchase of the remaining shares of adidas Austria GmbH. The recoverability of investments in affiliated companies is checked using an impairment test. At the closing date accumulated depreciation of € 44,330 thousand exists. Included in the financial assets is an investment of 8.33% in FC Bayern München AG (previous year 8.33%).

04 INVENTORIES

INVENTORIES € THOUSAND

	Dec. 31, 2021	Dec. 31, 2020
Raw materials, consumables and supplies	4,626	6,094
Work in progress	161	53
Finished goods and merchandise	33,261	33,437
Inventories	38,048	39,584

Inventories relate to raw materials, consumables and supplies for production purposes, work in progress in the production process and merchandise mostly in connection with the company's own retail business.

05 RECEIVABLES AND OTHER ASSETS

RECEIVABLES AND OTHER ASSETS € THOUSAND

	Dec. 31, 2021	Dec. 31, 2020
Trade accounts receivable	88,613	48,630
of which with a residual maturity of more than one year	0	0
Receivables from affiliated companies	1,915,527	2,520,310
of which with a residual maturity of more than one year	0	0
Other assets	151,148	129,346
of which with a residual maturity of more than one year	35,835	40,535
Receivables and other assets	2,155,288	2,698,286

The decrease in receivables from affiliated companies primarily relates to royalty receivables and receivables in connection with Group Treasury activities. Group Treasury uses a netting process to balance out any liquidity surpluses or deficits in subsidiaries through adidas AG and settle payments between subsidiaries. The recoverability of these receivables is checked as part of the impairment test concerning

the shares in affiliated companies. At the balance sheet date there are accumulated impairments of € 28,248 thousand concerning receivables from affiliated companies. Receivables from affiliated companies include € 286,277 thousand in trade receivables.

Other assets essentially include a contribution in cash for a short-time share-based swap and capitalized option premiums.

06 SECURITIES

SECURITIES € THOUSAND

	Dec. 31, 2021	Dec. 31, 2020
Money market funds	1,224,475	2,194,043
Commercial Papers	200,000	0
Securities	1,424,475	2,194,043

Securities comprise short-term financial investments.

07 CASH-IN-HAND, CENTRAL BANK BALANCES, BANK BALANCES AND CHECKS

CASH-IN-HAND, CENTRAL BANK BALANCES, BANK BALANCES AND CHECKS € THOUSAND

	Dec. 31, 2021	Dec. 31, 2020
Cash-in-hand and bank balances	1,599,503	1,255,556

08 PREPAID EXPENSES

PREPAID EXPENSES € THOUSAND

	Dec. 31, 2021	Dec. 31, 2020
Advertising and promotion agreements	48,878	53,003
Other	66,855	42,718
Prepaid expenses	115,733	95,721

Other prepaid expenses comprise mainly advance payments for marketing, maintenance and licensing expenses.

09 SHAREHOLDERS' EQUITY

The table below provides an overview of the changes in equity:

CHANGES IN EQUITY € THOUSAND

	Jan. 1, 2021	Repurchase of adidas AG shares	Issuance of treasury shares / Conversion / Employee shares	Allocation to reserves	Cancellation of shares	Dividend	Net profit for the year	Dec. 31, 2021
Subscribed capital	200,416	0	0	0	-8,316	0	0	192,100
Par value of treasury shares	-5,350	-3,471	0	0	8,316	0	0	-505
Capital reserves	1,333,660	0	4,718	0	8,316	0	0	1,346,694
Revenue reserves*)	838,468	-833,658	-774	924,880	0	0	0	928,916
Retained earnings	1,165,665	-162,871	0	-924,880	-8,316	-585,198	1,849,769	1,334,169
Equity	3,532,859	-1,000,000	3,944	0	0	-585,198	1,849,769	3,801,374

*) Includes legal reserves of € 4,036 thousand

As at December 31, 2021 there are 191,594,855 shares entitled to a dividend.

SHAREHOLDERS' EQUITY

As at December 31, 2020, the nominal capital of adidas AG amounted to € 200,416,186 divided into 200,416,186 registered no-par-value shares and was fully paid in.

With legal effect as at November 30, 2021, the nominal capital was reduced from € 200,416,186 to € 192,100,000 by cancellation of 8,316,186 treasury shares. The change in the nominal capital due to the cancellation of shares and the capital reduction was registered for declaratory entry in the commercial register. The entry was made on January 27, 2022.

There were no other changes to the nominal capital. Thus, as at the balance sheet date, the nominal capital of adidas AG amounted to a total of € 192,100,000 divided into 192,100,000 registered no-par-value shares and is fully paid in.

Each share grants one vote and is entitled to dividends starting from the commencement of the year in which it was issued. Treasury shares held directly or indirectly are not entitled to dividend payment in accordance with § 71b German Stock Corporation Act (Aktiengesetz – AktG). As at the balance sheet date, adidas AG held 505,145 treasury shares, corresponding to a notional amount of € 505,145 in the nominal capital and consequently to 0.26% of the nominal capital.

AUTHORIZED CAPITAL 2021/I AND 2021/II

The Executive Board of adidas AG did not utilize the existing amount of authorized capital of up to € 70 million in the 2021 financial year.

The authorized capital of adidas AG, which is set out in § 4 sections 2 and 3 of the Articles of Association on the balance sheet date, entitles the Executive Board, subject to Supervisory Board approval, to increase the nominal capital based on the following authorizations:

Based on the authorization granted by resolution of the Annual General Meeting of May 12, 2021 until August 6, 2026:

- by issuing new shares against contributions in cash once or several times by no more than € 50,000,000 and, subject to Supervisory Board approval, to exclude residual amounts from shareholders' subscription rights (Authorized Capital 2021/I);

Based on the authorization granted by resolution of the Annual General Meeting of May 12, 2021 until August 6, 2026

- by issuing new shares against contributions in kind and/or cash once or several times by no more than € 20,000,000 altogether (Authorized Capital 2021/II), and, subject to Supervisory Board approval, to exclude residual amounts from shareholders' subscription rights, to wholly or partly exclude shareholders' subscription rights when issuing shares against contributions in kind and to exclude shareholders' subscription rights when issuing shares against contributions in cash if the new shares against contributions in cash are issued at a price not significantly below the stock market price of the company's shares already quoted on the stock exchange at the point in time when the issue price is ultimately determined, which should be as close as possible to the placement of the shares; this exclusion of subscription rights can also be associated with the listing of the company's shares on a foreign stock exchange.

The authorization to exclude subscription rights under this authorization, however, may only be used to the extent that the pro-rata amount of the new shares in the nominal capital together with the pro-rata amount in the nominal capital of other shares which have been issued while excluding subscription rights by the Company since May 12, 2021, subject to the exclusion of subscription rights on the basis of an authorized capital or following a repurchase or for which subscription or conversion rights or subscription or conversion obligations have been granted, through the issuance of convertible bonds and/or bonds with warrants, does not exceed 10% of the nominal capital existing on the date of the entry of this authorization with the commercial register or – if this amount is lower – as of the respective date on which the resolution on the utilization of the authorization is adopted. The previous sentence does not apply to the exclusion of subscription rights for residual amounts. The Authorized Capital 2021/II must not be used to issue shares within the scope of compensation or participation programs for Executive Board members or employees or for members of the management bodies or employees of affiliated companies.

CONTINGENT CAPITAL 2018

The following overview of the Contingent Capital is based on § 4 section 4 of the Articles of Association of adidas AG as well as on the underlying resolution of the Annual General Meeting held on May 9, 2018. Additional contingent capital does not exist.

The nominal capital is conditionally increased by up to € 12.5 million divided into not more than 12,500,000 no-par-value shares (Contingent Capital 2018). The contingent capital increase serves the issuance of registered no-par-value shares when exercising option or conversion rights or fulfilling the respective option and/or conversion obligations or when exercising the company's right to choose to partially or in total deliver registered no-par-value shares of the company instead of paying the due amount to the holders or creditors of bonds issued by the company or a subordinated Group company up to May 8, 2023 on the basis of the authorization resolution adopted by the Annual General Meeting on May 9, 2018. The new shares will be issued at the respective option or conversion price to be established in accordance with the aforementioned authorization resolution. The contingent capital increase will be implemented only to the extent that holders or creditors of option or conversion rights, or the persons obligated to exercise the option or conversion obligations based on bonds issued by the company, or a subordinated Group company, pursuant to the authorization of the Executive Board granted by the resolution adopted by the Annual General Meeting on May 9, 2018 (Agenda Item 8), up to May 8, 2023 and guaranteed by the company, exercise their option or conversion rights or, if they are obligated to exercise the option or

conversion obligations, fulfill their obligations to exercise the warrant or convert the bond, or to the extent that the company exercises its rights to choose to deliver adidas AG shares for the total amount or a part amount instead of payment of the amount due and insofar as no cash settlement, treasury shares or shares of another public listed company are used to service these rights. The new shares will carry dividend rights from the commencement of the financial year in which the shares are issued. The Executive Board is authorized to stipulate any additional details concerning the implementation of the contingent capital increase.

The Executive Board is also authorized, subject to Supervisory Board approval, to exclude shareholders' subscription rights for residual amounts and to exclude shareholders' subscription rights insofar as this is necessary for granting subscription rights to which holders or creditors of previously issued bonds are entitled. Finally, the Executive Board is authorized, subject to Supervisory Board approval, to also exclude shareholders' subscription rights if the issue price of the bonds is not significantly below the hypothetical market value of these bonds and the number of shares to be issued does not exceed 10% of the nominal capital. Treasury shares which are or will be sold with the exclusion of subscription rights in accordance with § 71 section 1 no. 8 in conjunction with § 186 section 3 sentence 4 AktG between the starting date of the term of this authorization and the issuance of the respective bonds shall be attributed to the aforementioned limit of 10%. Shares which are or will be issued, subject to the exclusion of subscription rights pursuant to § 186 section 3 sentence 4 AktG or pursuant to § 203 section 1 in conjunction with § 186 section 3 sentence 4 AktG between the starting date of the term of this authorization and the issuance of the respective bonds in the context of a cash capital increase shall also be attributed to the aforementioned limit of 10%. Finally, shares for which there are option or conversion rights or obligations or a right to delivery of shares of the company in favor of the company due to bonds with warrants or convertible bonds issued by the company or its subordinated Group companies, subject to the exclusion of subscription rights in accordance with § 221 section 4 sentence 2 in conjunction with § 186 section 3 sentence 4 AktG during the term of this authorization based on other authorizations shall be attributed to the aforementioned limit of 10%.

In the period up until the balance sheet date, the Executive Board of adidas AG did not issue any bonds based on the authorization granted on May 9, 2018 and consequently did not issue any shares from the Contingent Capital 2018.

REPURCHASE AND USE OF TREASURY SHARES

The Annual General Meeting on May 12, 2021, granted the Executive Board an authorization to repurchase adidas AG shares up to an amount totaling 10% of the nominal capital until May 11, 2026. The authorization may be used by adidas AG but also by its subordinated Group companies or by third parties on account of adidas AG or its subordinated Group companies or third parties assigned by adidas AG or one of its subordinated Group companies.

Based on the above-mentioned authorization, the Executive Board of adidas AG commenced share buyback programs on July 1, 2021, and October 18, 2021, respectively. Under the authorization granted, adidas AG repurchased a total of 1,851,522 shares for a total price of € 549,999,787.55 (excluding incidental purchasing costs), i. e., for an average price of € 297.05 per share, between July 1, 2021, and September 30, 2021, inclusive (Share Buyback Program 2021/I). This corresponded to an amount of € 1,851,522 in the nominal capital and consequently to an approximate notional amount of 0.96% of the nominal capital. Furthermore, adidas AG repurchased a total of 1,619,683 shares for a total price of € 499,999,974.77 (excluding incidental purchasing costs), i.e., for an average price of € 277.83 per share, between October 18, 2021, and November 25, 2021, inclusive (Share Buyback Program 2021/II). This corresponded to an amount of € 1,619,683 in the nominal capital and consequently to an approximate notional amount of 0.84% of the nominal capital. In the year under review, adidas AG thus repurchased a total of 3,471,205 shares for a total price of € 999,999,762.32 (excluding incidental purchasing costs), i.e.,

for an average price of € 288.08 per share. This corresponded to an amount of € 3,471,205 in the nominal capital and consequently to an approximate notional amount of 1.81% of the nominal capital. Further information on the adidas AG shares repurchased in the 2021 financial year can be taken from the table 'Repurchase of adidas AG shares in the 2021 financial year.'

REPURCHASE OF ADIDAS AG SHARES IN THE 2021 FINANCIAL YEAR

Month	Number of shares	Total price in € (excluding incidental purchasing costs)	Average purchase price per share in €	Amount in the nominal capital in €	Amount in the nominal capital in %
January	-	-	-	-	-
February	-	-	-	-	-
March	-	-	-	-	-
April	-	-	-	-	-
May	-	-	-	-	-
June	-	-	-	-	-
July	423,311	132,293,268.85	312.52	423,311	0.22
August	465,012	142,771,949.75	307.03	465,012	0.24
September	963,199	274,934,568.95	285.44	963,199	0.50
October	530,681	145,767,660.83	274.68	530,681	0.28
November	1,089,002	304,232,313.94	279.37	1,089,002	0.57
December	-	-	-	-	-
2021 financial year total	3,471,205	999,999,762.32	288.08	3,471,205	1.81

The company may use the repurchased shares for all purposes admissible under the authorization granted on May 12, 2021. adidas AG, however, plans to cancel the majority of the repurchased shares. Accordingly, 8,316,186 treasury shares were canceled in the 2021 financial year within the framework of a simplified capital reduction conducted pursuant to § 237 section 3 no. 2 AktG. Taking into account the company held 5,350,126 treasury shares as at December 31, 2020, and the 3,471,205 shares repurchased in the 2021 financial year, this results in 505,145 treasury shares held as at the balance sheet date.

EMPLOYEE STOCK PURCHASE PLAN

In the 2016 financial year, adidas AG introduced an employee stock purchase plan in favor of employees of adidas AG and its affiliated companies.

In connection with this employee stock purchase plan, adidas shares were purchased by a service provider on behalf of the participating employees in the 2021 financial year. For part of such shares, adidas AG financed a discount of 15% and for the remaining shares (matching shares) adidas financed the full purchase price. More details on the purchase of adidas AG shares in connection with the employee stock purchase plan in the 2021 financial year are set out in the tables 'Purchase of adidas AG shares in the context of the employee stock purchase plan 2021' and 'Purchase of adidas AG shares in the context of the employee stock purchase plan 2021/Matching shares.'

PURCHASE OF ADIDAS AG SHARES IN THE CONTEXT OF THE EMPLOYEE STOCK PURCHASE PLAN 2021

Purchase date	Number of shares	Total price in € (excluding incidental purchasing costs)	Average purchase price per share in €	Amount in the nominal capital in €	Amount in the nominal capital in %	Transfer date to employees
January 8, 2021	23,652	6,992,862.30	295.66	23,652	0.01	January 12, 2021
April 9, 2021	24,032	6,757,458.75	281.19	24,032	0.01	April 13, 2021
July 7, 2021	22,976	7,345,418.23	319.70	22,976	0.01	July 9, 2021
October 7, 2021	25,790	6,811,853.86	263.59	25,790	0.01	October 11, 2021

PURCHASE OF ADIDAS AG SHARES IN THE CONTEXT OF THE EMPLOYEE STOCK PURCHASE PLAN 2021 /MATCHING SHARES

Purchase date	Number of shares	Total price in € (excluding incidental purchasing costs)	Average purchase price per share in €	Amount in the nominal capital in €	Amount in the nominal capital in %	Transfer date to employees
January 8, 2021	2,843	840,550.80	295.66	2,843	0.001	January 12, 2021
April 9, 2021	3,817	1,073,286.45	281.19	3,817	0.002	April 13, 2021
July 7, 2021	3,593	1,148,680.70	319.70	3,593	0.002	July 9, 2021
October 7, 2021	3,113	820,543.32	263.59	3,113	0.002	October 11, 2021

CHANGES IN THE PERCENTAGE OF VOTING RIGHTS

Pursuant to § 160 section 1 no. 8 AktG, existing shareholdings which have been notified to adidas AG in accordance with § 33 section 1 or section 2 German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) need to be disclosed.

The table 'Notified reportable shareholdings' reflects reportable shareholdings in adidas AG as at the balance sheet date which have each been notified to adidas AG. In each case, the details relate to the most recent voting rights notification received by adidas AG from the parties obligated to notify. All voting rights notifications disclosed by adidas AG in the year under review are available on the corporate website.

NOTIFIED REPORTABLE SHAREHOLDINGS

Notifying party	Date of reaching, exceeding or falling below	Reporting threshold	Notification obligations and attributions in accordance with WpHG ¹	Share- holdings in %	Number of voting rights
Elia Corporate Trustee (Cayman) Limited, Grand Cayman, Cayman Islands	November 30, 2021	Exceeding 3%	§§ 34, 38 par. 1 no. 2	3.14	6,032,947
Ségolène Gallienne ²	April 20, 2021	Exceeding 5%	§ 34	6.84	13,714,524
Gérald Frère ²	April 20, 2021	Exceeding 5%	§ 34	6.84	13,714,524
The Desmarais Family Residuary Trust, Montreal, Canada ²	November 30, 2020	Exceeding 5%	§ 34	6.89	13,807,393
BlackRock, Inc., Wilmington, DE, USA ²	September 3, 2020	Exceeding 5%	§§ 34, 38 par. 1 no. 1, 38 par. 1 no. 2	6.39	12,799,500
Capital Research and Management Company, Los Angeles, CA, USA	July 22, 2015	Exceeding 3%	§ 22 par. 1 sent. 1 no. 6	3.02	6,325,110

¹ The provisions of the WpHG stated refer to the version applicable at the time of publication of the respective individual voting rights notification.

² Voluntary group notification due to crossing a threshold on subsidiary level.

The details on the percentage of shareholdings and voting rights may no longer be up to date.

CAPITAL RESERVE

The capital reserve primarily comprises the paid premium for the issuance of share capital as well as the equity component of the issued convertible bond.

REVENUE RESERVES

The revenue reserves comprises both amounts which are required by law and by the Articles of Association and voluntary amounts that have been set aside by the company. The reserves include the accumulated profits less dividends paid and consideration paid for the repurchase of adidas AG shares exceeding the nominal amount. In addition, the item includes the effects of the employee stock purchase plan.

10 RETAINED EARNINGS

RETAINED EARNINGS € THOUSAND

Retained earnings as of December 31, 2020	1,165,665
Distribution of a dividend of € 3.00 per ordinary share in the share capital for the 2020 fiscal year (195,066,060 shares)	-585,198
Retained earnings brought forward	580,467
Net income of adidas AG for the 2021 fiscal year	1,849,769
Transfer to other revenue reserves	-924,880
Transfer to capital reserves	-8,316
Utilization for repurchasing of own shares	-162,871
Retained earnings as of December 31, 2021	1,334,169

11 SPECIAL RESERVE

The special reserve established in 2003 in accordance with § 273 HGB (old version) and Section 35 Income Tax Regulations (Einkommensteuerrichtlinien, "EStR") for write-downs relating to the construction of the factory outlet was reduced as scheduled during the year under review by € 289 thousand.

12 PROVISIONS/ACCRUALS

PROVISIONS/ACCRUALS € THOUSAND

	Dec. 31, 2021	Dec. 31, 2020
Provisions for pensions and similar obligations	150,155	116,355
Provisions for taxes	76,244	133,396
Other provisions	570,449	436,501
Provisions/accruals	796,848	686,252

Within the provisions for pensions and similar obligations, plan assets were offset against obligations in accordance with § 246 (2) sentence 2 HGB. This related to plan assets of the pension trust association "adidas Pension Trust e.V.". The settlement amount of the pension obligations totaled € 505,207 thousand as at December 31, 2021 (prior year: € 440,383 thousand). The plan assets were measured at fair value in accordance with § 255 (4) HGB. As at the balance sheet date, the fair value of the netted assets in the year under review is € 355,053 thousand (prior year: € 324,028 thousand) and historical costs amount to € 290,000 thousand (prior year: € 290,000 thousand).

Interest expenses resulting from the pension valuation in an amount of € 10,169 thousand have been offset against the interest income from the adidas Pension Trust e. V. in an amount of € 31,025 thousand.

The pension obligations to six former members of the Executive Board, who resigned after December 31, 2005, are covered by a pension fund or a pension fund in combination with a reinsured pension trust fund. This results in indirect obligations for adidas AG to former Executive Board members in the amount of € 43,981 thousand (prior year: € 40,710 thousand for the related group of people) for which no provisions have been recognized due to their funding through the pension fund and re-insured pension trust fund. As at the balance sheet date, there are shortfalls for the indirect obligations in the amount of € 5,764 thousand.

However, pension provisions have been established for the pension entitlements of six active members of the Executive Board, which amount to € 14,699 thousand before offsetting against the afore mentioned plan assets (prior year: € 10,553 thousand for five Executive Board members). Pension provisions in the amount of € 3,739 thousand (prior year: € 3,500 thousand) have been established for two former members of the Executive Board, whose entitlements were not covered by the adidas Pension Trust e.V.

The provisions for the former members of the Executive Board and their survivors totaled € 88,473 thousand before offsetting against the afore mentioned plan assets as at December 31, 2021 (prior year: € 84,134 thousand). These amounts also include the aforementioned indirect obligations.

The difference between the application of the average market interest rate for the past seven fiscal years and the application of the average market interest rate for the past ten fiscal years amounts to € 47,293 thousand. Pursuant to § 253 (6) sentence 2 HGB, this amount is subject to a restriction on distribution.

The fair value measurement of assets for the settlement of obligations for pensions results in a total amount of € 65,053 thousand (prior year: € 34,028 thousand) subject to restriction on distribution within the meaning of § 268 [8] HGB prior to offsetting with the freely distributable reserves as at December 31, 2021.

The largest item in other provisions/accruals concerns provisions for personnel of € 242,366 thousand (prior year: € 164,963 thousand). This amount is primarily attributable to provisions for performance-based remuneration components. Additional significant items in other provisions are provisions for marketing of € 128,498 thousand (prior year: € 110,489 thousand) and accruals for outstanding invoices of € 82,412 thousand (prior year: € 59,152 thousand). There are also provisions for pending losses on derivative financial instruments in an amount of € 84,130 thousand (prior year: € 45,905 thousand). These are recorded for unrealized losses from derivative futures, hedge accounting as well as for LTIP hedges. In addition, a provision for impending losses from pending transactions in an amount of € 1,038 thousand (prior year € 8,585 thousand) is included.

13 LIABILITIES

LIABILITIES € THOUSAND

	Dec. 31, 2021				Dec. 31, 2020
	Total	Residual term up to 1 year	Residual term 1-5 years	Residual term more than 5 years	Prior year total
Bonds	2,400,000	0	1,400,000	1,000,000	3,000,000
(prior year)		(600,000)	(1,000,000)	(1,400,000)	
of which convertible		0	500,000	0	
Liabilities to banks	100,664	18,750	75,000	6,914	124,368
(prior year)		(23,704)	(75,000)	(25,664)	
Advances received	229	229	0	0	0
(prior year)		(0)	(0)	(0)	
Trade accounts payable	273,759	273,759	0	0	173,042
(prior year)		(173,042)	(0)	(0)	
Liabilities to affiliated companies	3,510,055	3,480,055	30,000	0	4,293,297
(prior year)		(3,848,574)	(444,723)	(0)	
Other liabilities	160,778	159,764	1,014	0	129,256
(prior year)		(124,187)	(5,069)	(0)	
of which from taxes		50,378	0	0	62,888
of which relating to social security		0	0	0	0
Dec. 31, 2021	6,445,485	3,932,557	1,506,014	1,006,914	7,719,963
Dec. 31, 2020		(4,769,507)	(1,524,792)	(1,425,664)	

The liabilities are unsecured.

The liabilities to affiliated companies primarily relate to liabilities from Group Treasury activities as well as loans from affiliated companies. Trade payables to affiliated companies amount to € 70,727 thousand (prior year: € 130,259 thousand).

Other liabilities include tax and customs liabilities, liabilities relating to social security and similar obligations, accrued interest not yet payable, credit balances in accounts receivable, option premiums paid by subsidiaries, and salaries and commissions payable.

In 2014, adidas AG issued bonds with a total value of € 1,000,000 thousand. The € 600,000 thousand Eurobond was repaid in 2021 in total; the € 400,000 thousand Eurobond matures in 2026. Both bonds have been listed on the Luxembourg securities exchange in denominations of € 1 thousand each.

In 2018, adidas AG issued an equity-neutral convertible bond with a total volume of € 500,000 thousand. The equity-neutral convertible bond matures in 2023 and was originally divided into 2,500 bearer bonds with equal rights, each in the nominal amount of € 200 thousand.

In 2020, adidas AG issued bonds with a total value of € 1,500,000 thousand. The Eurobonds, of € 500,000 thousand each, mature in 2024, 2028 and 2035. All three bonds are listed on the Luxembourg securities exchange in denominations of € 100 thousand each.

14 DEFERRED INCOME

The change in the deferred income primarily relates to the premium for the issuance of bonds and grants received.

15 CONTINGENT LIABILITIES, OTHER FINANCIAL COMMITMENTS AND DERIVATIVE INSTRUMENTS

CONTINGENT LIABILITIES € THOUSAND

	Dec. 31, 2021	Dec. 31, 2020
Guarantee obligations	1,672,908	863,683
of which for affiliated companies		
- Bank loans	83,620	82,635
- Letters of credit	119,525	110,320
- Guarantee agreements	1,469,763	670,728

The guarantee obligations for bank loans to affiliated companies are from lines of credit drawn on by affiliated companies. adidas AG's letters of credit are mainly import letters of credit in connection with product purchases in the Far East. The guarantee agreements are with various subsidiaries and secure mainly rent contracts.

Other liabilities relate to absolute guarantees of adidas AG for the benefit of affiliated companies. Comfort letters in unlimited amounts for the benefit of eight (prior year: ten) affiliated companies were issued as at December 31, 2021. The risk of these being utilized is deemed to be low.

adidas AG declares support, except in the case of political risk, for 88 affiliated companies, so that they are able to meet their contractual liabilities. This declaration replaces the declaration of 2021 dated February 25, 2021, which is no longer valid. The declaration of support automatically ceases from the time that a company no longer is a subsidiary of adidas AG.

Since the liabilities assumed arise in the normal course of business and due to the current strong financial position of the respective adidas Group affiliated companies, the risk that these will be called on is considered extremely slight.

OTHER FINANCIAL COMMITMENTS

Other financial commitments of € 2,390,545 thousand (prior year: € 2,273,042 thousand) for adidas AG include amounts for the entire foreseeable contractual period for promotion, advertising, rental and leasing agreements as at December 31, 2021.

MATURITIES € THOUSAND

in 2022	654,735
2023-2026	1,263,125
after 2027	472,685
	2,390,545

The contracted other financial commitments provide adidas AG with planning certainty on the one hand and, on the other hand, they ensure that the Company has the necessary liquidity. The risk of making payments that are not covered by the relevant contracts is considered to be very low.

DERIVATIVE FINANCIAL INSTRUMENTS

The adidas Group purchases more than 80% of its products in Asia. Since a major proportion of the product costs relate to raw materials that the suppliers have to purchase in US dollars (USD), billings to the adidas Group are also made mainly in USD. In contrast, sales by Group companies to customers are mainly in euros (€), pounds sterling (GBP), Japanese yen (JPY), Chinese Yuan Renminbi (CNY) and in many other currencies. Currency hedges are entered into to reduce the risk of changes in fair value and in cash flows (currency risks). Most subsidiaries hedge their currency risks through adidas AG, except for those subsidiaries that are unable to hedge through adidas AG due to local currency restrictions, or for whom it is more sensible to hedge locally for economic reasons. Currency risks that are assumed by adidas AG from subsidiaries by entering into inter-Group currency transactions are strategically hedged with banks for a period of up to 24 months in advance using forward exchange transactions, currency swaps, currency options, or a combination of currency options, which provide protection and, at the same time, the opportunity to profit from future beneficial foreign exchange rate movements on financial markets. In 2021, the adidas Group purchased around USD 6 billion net against € because of hedging purposes.

Due to procurement of the majority of goods in the Far East and the adidas Group's global operations, the worldwide distribution of goods is an important component of the Group's business. At the current time no hedging of commodity futures takes place but the risk is mitigated via purchase strategy. This strategy is reviewed regularly.

OUTSTANDING FINANCIAL DERIVATIVES € THOUSAND

	Dec. 31, 2021	Dec. 31, 2020
Notional amounts		
Currency hedging contracts	21,209,195	23,872,709
Equity instruments	661,721	748,690
	21,870,916	24,621,399

The notional volume of option structures is included only once in the notional amounts.

The equity instruments serve to hedge a Long-Term Incentive Plan (LTIP), a share-based remuneration scheme with cash settlement, and the conversion rights related to the convertible bond. The company uses derivative instruments to hedge against the risk of share price fluctuations. The fair value is based on the market price of the adidas AG share as at December 31, 2021 - and concerning the LTIP multiplied by the notional volume less accrued interest.

OUTSTANDING FINANCIAL DERIVATIVES € THOUSAND

	Dec. 31, 2021		Dec. 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets (Other assets)				
Currency hedging contracts	0	428,517	0	404,420
Equity instruments	0	47,811	0	137,663
Liabilities (Provision for contingent losses)				
Currency hedging contracts	-74,961	-421,101	-40,006	-399,805
Equity instruments	-9,168	-44,584	-5,899	-93,559
	-84,129	10,643	-45,905	48,719

Notional amounts represent the gross total of all buy and sell contracts for derivative financial transactions. Fair values of forward exchange transactions are determined based on current ECB reference exchange rates or reference exchange rates of local central banks, together with forward premiums or discounts as well as the counterparty risk. The fair values (gains and losses) of the currency hedging contracts are presented as gross values.

Currency options are measured using market quotes or option pricing models (Garman-Kohlhagen model).

The notional amounts of outstanding financial derivatives in foreign currency are translated into euros at year-end closing rates.

The carrying values are taken from the balance sheet.

The table below provides an overview of the risks hedged as part of a hedging portfolio. The underlying transactions within a portfolio are secured with one or more hedging instruments (portfolio hedge):

HEDGED RISK AS OF THE BALANCE SHEET DATE € THOUSAND / MATURITY

	Notional	Net change in fair value	Maturity
Currency risk			
Risk			
Forward exchange transactions and options with subsidiaries	8,413,466	-87,347	1 - 19 month
Hedging			
Forward exchange transactions and options with banks	8,453,754	87,347	1 - 19 month
Equity instrument			
Risk			
Equity instrument with subsidiaries	52,928	-1,321	1 - 25 month
Hedging			
Equity instrument with banks	552,928	32,234	1 - 25 month
Equity instrument with banks	-500,000	-30,914	21 month

The difference in the notional amount relates to internal forward exchange transactions with subsidiaries without an external hedge. The foreign currency requirement of one subsidiary is covered with the excess of the same foreign currency of another subsidiary (natural hedge).

16 SALES

adidas AG's business activities are primarily concentrated in one sector, specifically the development, production and sales of sports and leisure articles. In addition, adidas AG generates a substantial portion of its revenues from licensing income, primarily from affiliated companies.

SALES € THOUSAND

	2021	2020
Breakdown by product group		
Footwear	893,582	796,994
Apparel	609,807	497,523
Hardware	91,477	75,500
	1,594,866	1,370,017
Other sales revenues	643,377	611,397
Licensing income	2,236,658	2,009,804
Sales	4,474,901	3,991,218

Of these revenues, € 2,166,246 thousand (prior year: € 1,918,345 thousand) was generated in Germany and € 2,308,655 thousand (prior year: € 2,072,873 thousand) outside Germany, mainly in Europe.

17 OTHER OPERATING INCOME

Other operating income consists mainly of € 576,912 thousand in foreign currency gains (prior year: € 900,417 thousand). Other operating income also includes € 5,359 thousand as a result of the release of allowances for doubtful accounts relating to receivables from affiliated companies (prior year: € 2,000) as well as income relating to other periods of € 84,144 thousand (prior year: € 108,259 thousand). This income includes essentially income from the reversal of accruals and provisions in an amount of € 58,289 thousand (prior year: € 75,972 thousand).

18 COST OF MATERIALS

COST OF MATERIALS € THOUSAND

	2021	2020
Cost of raw materials, consumables and supplies, and of purchased merchandise	1,280,481	1,061,116
Cost of purchased services	463,687	404,405
Cost of materials	1,744,168	1,465,521

19 PERSONNEL EXPENSES

PERSONNEL EXPENSES € THOUSAND

	2021	2020
Wages and salaries	616,596	511,155
Social security, post-employment and other employee benefit costs	151,779	144,022
of which for retirement benefits	63,393	58,466
Personnel expenses	768,375	655,177

The increase in personnel expenses mainly relates to higher expenses for bonuses and salary increases in comparison to prior year. However at the beginning of 2021 we also had short-time work resulting from the temporary closure of own stores as a consequence of the coronavirus pandemic. Personnel expenses include refunds of € 602 thousand for social security contributions from the Federal Labour Office.

20 AMORTIZATION AND WRITE-DOWNS OF INTANGIBLE FIXED ASSETS AND DEPRECIATION AND WRITE-DOWNS OF TANGIBLE FIXED ASSETS

Amortization and write-downs of intangible assets of € 73,756 thousand (prior year: € 79,767 thousand) relates to computer software and licenses. Depreciation and write-downs of tangible fixed assets of € 43,648 thousand (prior year: € 47,014 thousand) relates primarily to depreciation of € 21,961 thousand (prior year: € 21,790 thousand) on buildings as well as depreciation of € 16,569 thousand (prior year: € 19,949 thousand) on other equipment, operating and office equipment.

21 OTHER OPERATING EXPENSES

Other operating expenses essentially comprise cost transfers, currency exchange losses, advertising and promotional expenses, IT and maintenance costs, legal and consultancy fees, rental and lease charges, outgoing freight, services as well as postal and telephone expenses. The € 102,855 thousand decrease in these expenses essentially results from the decrease in currency exchange losses by € 228,341 thousand to € 639,503 as well as for service costs by € 54,218 thousand to € 24,625 thousand. However the expenses for IT and maintenance costs increased by € 98,263 thousand to € 304,288 thousand as well as the advertising and promotional expenses by € 54,842 thousand to € 588,626 thousand. Other operating expenses include expenses not relating to the accounting period in an amount of € 9,495 thousand (prior year: € 26,362 thousand) which primarily relates to the disposal of fixed assets.

22 INCOME FROM INVESTMENTS IN RELATED COMPANIES

Income from adidas AG's investments in related companies amounted to € 1,065,579 thousand (prior year: € 111,043 thousand) and essentially relates to dividend payments from subsidiaries in The Netherlands, Austria and France.

23 PROFITS RECEIVED IN ACCORDANCE WITH A PROFIT AND LOSS TRANSFER AGREEMENT

A profit and loss transfer agreement exists with adidas Insurance & Risk Consultants GmbH, Herzogenaurach and adidas Beteiligungsgesellschaft mbH, Herzogenaurach. The change is attributable to

the transfer of a higher gain from adidas Beteiligungsgesellschaft mbH amounting to € 860,706 thousand (prior year: € 509,165 thousand).

24 INTEREST RESULT

INTEREST RESULT € THOUSAND

	2021	2020
Income from loans of long-term financial assets	912	440
of which from affiliated companies	912	440
Other interest and similar income	35,573	37,315
of which from affiliated companies	10,388	25,743
Interest and similar expenses	-47,395	-73,928
of which to affiliated companies	-18,758	-36,726
Interest result	-10,910	-36,173

The interest income in connection with pension provisions amounted to € 20,857 thousand (prior year € 4,582 thousand).

25 TAXES ON INCOME

Taxes on income mainly include municipal trade tax and withholding tax on interest and licensing income, interest and dividends resulting from the collection of this income from outside Germany as well as corporate income tax.

Taxes on income do not include any gains or losses from deferred taxes.

adidas AG exercises the statutory right concerning the balancing of deferred tax assets and deferred tax liabilities in accordance with § 274 (1) sentence 3 HGB. In accordance with the option under § 274 (1) sentence 2 HGB, adidas AG has opted to forgo recognizing the surplus deferred tax assets of € 83,363 thousand in future tax benefits due to temporary accounting differences (prior year: € 56,620 thousand). This amount was calculated based on a combined income tax rate of 27,37 %.

Deferred tax assets result primarily from other assets, intangible assets and forward exchange transactions. Deferred tax liabilities result essentially in relation to pension provisions, land and shares in affiliated companies.

26 REMUNERATION OF THE EXECUTIVE BOARD AND THE SUPERVISORY BOARD

EXECUTIVE BOARD

The overall compensation of the members of the Executive Board in the 2021 financial year amounted to € 13,128 thousand (previous year: € 5,788 thousand). In addition, a total LTIP Bonus amount of € 14,183 thousand (previous year: € 0) was granted to the Executive Board members which must be invested in the acquisition of adidas AG shares after deduction of applicable taxes and social security contributions. These shares are subject to a lock-up period which ends in the fourth financial year after the performance year. The LTIP payout amount is considered earned only after expiry of the lock-up period and only then can the Executive Board members dispose of the shares at their own discretion. By contrast, the amount deducted for income tax and social security contributions is already fully earned at the time of payout following the adoption of the consolidated financial statements by the Supervisory Board. The higher total remuneration

in comparison to the previous year is mainly attributable to the fact that already in April 2020 in light of the coronavirus pandemic the Executive Board Members waived their LTIP Bonus and their Performance Bonus for the 2020 financial year as a liquidity management measure. For the 2020 financial year, a special bonus was granted to the Executive Board members for the first time in the amount of € 1,482 thousand, which had to be invested in the acquisition of adidas AG shares after deduction of applicable taxes and social security contributions.

PENSION COMMITMENTS € THOUSAND

	Service cost		Accumulated pension obligation for the pension commitments	
	2021	2020	2021	2020
Executive Board members incumbent as at Dec. 31, 2021				
Kasper Rorsted	1,103	1,034	6,029	4,576
Roland Auschel	479	430	3,681	3,079
Brian Grevy	481	404	846	404
Harm Ohlmeyer	541	437	2,390	1,842
Martin Shankland	409	343	1,296	652
Amanda Rajkumar (since January 1, 2021)	457	n/a	457	n/a
Total	3,470	2,648	14,699	10,553

Further information is contained in the compensation report.

Former members of the Executive Board and their surviving dependents received a total of € 4,247 thousand in benefits in the 2021 financial year (prior year: € 10,641 thousand).

Provisions for pension entitlements have been created for the former members of the Executive Board who resigned on or before December 31, 2005 and their surviving dependents, in an amount of € 40,753 thousand in total as at December 31, 2021 before offsetting with the assets of the "adidas Pension Trust e.V." (prior year: € 39,924 thousand).

There are pension commitments towards six former Executive Board members who resigned after December 31, 2005, which are covered by a pension fund or a pension fund in combination with a reinsured pension trust fund. From this, indirect obligations amounting to € 43,981 thousand (prior year: € 40,710 thousand) arise for adidas AG, for which no provisions were created due to financing through the pension fund and pension trust fund. Provisions for pension entitlements have been created for two former members of the Executive Board who resigned on or after December 31, 2019 in an amount of € 3,739 thousand.

The Executive Board members have not received any loans and advance payments from adidas AG.

SUPERVISORY BOARD

The annual total compensation for members of the Supervisory Board in accordance with the Articles of Association was € 2,231 thousand (prior year: € 2,228 thousand). This includes attendance fees in a total amount of € 31 thousand (prior year € 28 thousand). Like in the previous year the meetings of the Supervisory Board and its committees were mostly held virtually due to the coronavirus pandemic.

The Supervisory Board members have not received any loans or advance payments from adidas AG.

27 OTHER DISCLOSURES

NO. OF EMPLOYEES (ANNUAL AVERAGE)

	2021			2020		
	Total	Salaried	Wage	Total	Salaried	Wage
Global Sales	690	690	0	609	609	0
Headquarters						
Corporate Services	1,988	1,950	38	1,986	1,944	42
Marketing	1,693	1,692	1	1,633	1,633	0
Operations	2,521	1,062	1,459	2,438	1,017	1,421
Market Europe	1,057	894	163	975	820	155
	7,948			7,641		
As at December 31	8,155			7,600		

RECOMMENDATION ON THE APPROPRIATION OF THE RETAINED EARNINGS OF ADIDAS AG

The Executive Board of adidas AG will propose to use retained earnings of adidas AG in an amount of € 1,334,169 thousand as reported in the 2021 financial statements of adidas AG for a dividend payment of € 3.30 per dividend-entitled share. The subsequent remaining amount will be carried forward.

DECLARATION ON THE GERMAN CORPORATE GOVERNANCE CODE

In December 2021, the Executive Board and Supervisory Board of adidas AG issued an updated Declaration of Compliance in accordance with § 161 AktG and made it permanently available to the shareholders. The full text of the Declaration of Compliance is available on the corporate website.

DISCLOSURES PURSUANT TO § 285 NO. 10 HGB

The disclosures pursuant to § 285 no. 10 HGB are contained in Appendix 1 to the notes to the financial statements.

DISCLOSURES PURSUANT TO § 285 NO. 17 HGB

Expenses for the audit fees of KPMG AG Wirtschaftsprüfungsgesellschaft were mainly related to the audits of both the consolidated financial statements and the financial statements of adidas AG, as well as the audit of the financial statements of its subsidiary, adidas CDC Immobilieninvest GmbH.

Other confirmation services consist of audits which are either required by law or contractually agreed, such as the audit of the historical finance information of the Reebok-business activities of the fiscal years 2019 and 2020, the European Market Infrastructure Regulation (EMIR), audits according to the German Packaging Ordinance (Verpackungsverordnung – VerpackV) and other contractually agreed-upon confirmation services.

The tax consultancy services include support services for transfer pricing.

Other services provided by the auditor consist particularly in a status checking concerning the determination of a non-financial key performance indicator.

In accordance with § 285 no. 17 HGB, the Company has opted not to include a disclosure of the total audit fee charged by the auditor in this report, since such disclosures are already contained in the consolidated financial statements of the adidas Group.

DISCLOSURES PURSUANT TO § 285 NO. 33 HGB

Since the end of the fiscal year a comfort letter as well as a letter of credit has been given to two subsidiaries.

In its function as the ultimate parent, adidas AG, Herzogenaurach, (Local Court of Fürth, HRB 3868), prepares consolidated financial statements, which are published in the Federal Gazette.

Herzogenaurach, February 21, 2022

The Executive Board of adidas AG

Kasper Rorsted

Roland Auschel

Brian Grevy

Harm Ohlmeyer

Amanda Rajkumar

Martin Shankland

SUPERVISORY BOARD

THOMAS RABE

CHAIRMAN

residing in Berlin, Germany

born on August 6, 1965

Member of the Supervisory Board since May 9, 2019

Chairman and Chief Executive Officer, Bertelsmann Management SE, Gütersloh, Germany

Chief Executive Officer, RTL Group S.A., Luxembourg, Luxembourg

Membership in control bodies pursuant to § 285 sec. 10 HGB:

Membership in comparable domestic and foreign controlling bodies of commercial enterprises

Mandates held in foreign subsidiaries of Bertelsmann SE & Co. KGaA:

- Member of the Supervisory Board, Majorel Group Luxembourg S.A., Luxembourg, Luxembourg¹

UDO MÜLLER*

DEPUTY CHAIRMAN

residing in Herzogenaurach, Germany

born on April 14, 1960

Member of the Supervisory Board since October 6, 2016

Manager History Management, adidas AG, Herzogenaurach, Germany

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- none

¹ Until September 17, 2021.

* Employee representative.

IAN GALLIENNE

DEPUTY CHAIRMAN

residing in Gerpinnes, Belgium

born on January 23, 1971

Member of the Supervisory Board since June 15, 2016

Chief Executive Officer, Groupe Bruxelles Lambert, Brussels, Belgium

Membership in control bodies pursuant to § 285 sec. 10 HGB:

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

- Member of the Board of Directors, Pernod Ricard SA, Paris, France
- Member of the Board of Directors, SGS SA, Geneva, Switzerland

Mandates within the Groupe Bruxelles Lambert or in entities under common control with the Groupe Bruxelles Lambert:

- Member of the Board of Directors, Imerys SA, Paris, France
- Member of the Board of Directors, Sienna Capital S.à r.l., Strassen, Luxembourg
- Member of the Board of Directors, Compagnie Nationale à Portefeuille SA, Loverval, Belgium
- Member of the Board of Directors, Frère-Bourgeois SA, Loverval, Belgium²
- Member of the Board of Directors, Château Cheval Blanc, Société Civile, Saint-Émilion, France
- Member of the Board of Directors, GBL Development Ltd., London, United Kingdom
- Member of the Supervisory Board, Marnix French ParentCo SAS (Webhelp Group), Paris, France
- Member of the Board of Directors, Financière De La Sambre, Loverval, Belgium³
- Member of the Board of Directors, Carpar SA, Loverval, Belgium⁴

PETRA AUERBACHER*

residing in Emskirchen, Germany

born on December 27, 1969

Member of the Supervisory Board since May 9, 2019

Project Manager Creative Direction, adidas AG, Herzogenaurach, Germany

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- None

ROSWITHA HERMANN*⁵

residing in Erlangen, Germany

born on December 27, 1962

Member of the Supervisory Board since May 9, 2019

Director Projects, adidas AG, Herzogenaurach, Germany

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- None

²Until April 20, 2021.

³Since June 30, 2021.

⁴Since June 17, 2021.

⁵Until December 31, 2021.

* Employee representative.

JACKIE JOYNER-KERSEE

residing in Ballwin, Missouri, USA

born on March 3, 1962

Member of the Supervisory Board since May 12, 2021

CEO Jackie Joyner-Kersee Foundation and Motivational Speaker, East St. Louis, Illinois, USA

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- None

CHRISTIAN KLEIN

residing in Mühlhausen, Germany

born on May 4, 1980

Member of the Supervisory Board since August 11, 2020

Chief Executive Officer, SAP SE, Walldorf, Germany

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- None

KATHRIN MENGES

residing in Großenbrode, Germany

born on October 16, 1964

Member of the Supervisory Board since May 8, 2014

Self-employed entrepreneur

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- None

ROLAND NOSKO*

residing in Wolnzach, Germany

born on August 19, 1958

Member of the Supervisory Board since May 13, 2004

District Manager of the Industrial Union IG Bergbau, Chemie, Energie (IG BCE), District of Nuremberg, Nuremberg, Germany

Membership in control bodies pursuant to § 285 sec. 10 HGB:

Membership in other statutory supervisory boards in Germany:

- Deputy Chairman of the Supervisory Board, CeramTec GmbH, Plochingen, Germany
- Member of the Supervisory Board, Plastic Omnium Automotive Exteriors GmbH, Munich, Germany

BEATE ROHRIG*

residing in Glashütten, Germany

born on March 24, 1965

Member of the Supervisory Board since May 9, 2019

State District Manager of the Industrial Union IG BCE, State District Bavaria, Munich, Germany

Membership in control bodies pursuant to § 285 sec. 10 HGB:

Membership in other statutory supervisory boards in Germany:

- Member of the Supervisory Board, Wacker Chemie AG, Munich, Germany

* Employee representative.

NASSEF SAWIRIS

residing in London, United Kingdom

born on January 19, 1961

Member of the Supervisory Board since June 15, 2016

Executive Chairman and Member of the Board of Directors, OCI N.V., Amsterdam, The Netherlands

Membership in control bodies pursuant to § 285 sec. 10 HGB:

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

- CEO of Avanti Acquisition Corp., New York, USA

FRANK SCHEIDERER*

residing in Wilhelmsdorf, Germany

born on April 16, 1977

Member of the Supervisory Board since May 9, 2019

Director Finance - Strategy and Programs, adidas AG, Herzogenaurach, Germany

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- None

MICHAEL STORL*

residing in Oberreichenbach, Germany

born on July 3, 1959

Member of the Supervisory Board since May 9, 2019

Deputy Chairman of the Works Council Herzogenaurach, adidas AG, Herzogenaurach, Germany

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- None

BODO UEBBER

residing in Munich, Germany

born on August 18, 1959

Member of the Supervisory Board since May 9, 2019

Independent Management Consultant

Membership in control bodies pursuant to § 285 sec. 10 HGB:

Membership in other statutory supervisory boards in Germany:

- Member of the Supervisory Board, Bertelsmann SE & Co. KGaA/Bertelsmann Management SE, Gütersloh, Germany
- Chairman of the Supervisory Board, Evercore GmbH, Frankfurt/Main, Germany
- Non-Executive Director, Levere Holding Corp., Grand Cayman, Cayman Islands⁶

⁶ Since March 18, 2021.

* Employee representative.

JING ULRICH

residing in Hong Kong, China

born on June 28, 1967

Member of the Supervisory Board since May 9, 2019

Vice Chairman of Global Banking and Asia Pacific, JPMorgan Chase & Co., New York, USA

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- None

GÜNTER WEIGL*

residing in Oberreichenbach, Germany

born on April 14, 1965

Member of the Supervisory Board since May 9, 2019

Senior Vice President Global Sports Marketing & Brand Relations, adidas AG, Herzogenaurach, Germany

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- None

SUPERVISORY BOARD MEMBER UNTIL MAY 12, 2021**HERBERT KAUFFMANN**

residing in Stuttgart, Germany

born on April 20, 1951

Member of the Supervisory Board since May 7, 2009

Independent Management Consultant, Stuttgart, Germany

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- None

SUPERVISORY BOARD MEMBER AS OF JANUARY 1, 2022**BASTIAN KNOBLOCH***

residing in Bramsche, Germany

born on September 12, 1982

Member of the Supervisory Board since January 1, 2022

Chairman of the Works Council Campus North, adidas AG, Rieste, Germany

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- None

* Employee representative.

EXECUTIVE BOARD

KASPER RORSTED, PÖCKING, GERMANY

CHIEF EXECUTIVE OFFICER

Membership in controlling bodies pursuant to § 285 no. 10 HGB:

- Member of the Board of Directors, Nestlé S.A., Vevey, Switzerland⁷
- Member of the Supervisory Board, Siemens AG, Berlin and Munich, Germany⁸

ROLAND AUSCHEL, ERLANGEN, GERMANY

EXECUTIVE BOARD MEMBER IN CHARGE OF GLOBAL SALES

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- None

BRIAN GREVY, GRÜNWALD, GERMANY

EXECUTIVE BOARD MEMBER IN CHARGE OF GLOBAL BRANDS

Membership in controlling bodies pursuant to § 285 no. 10 HGB:

- Member of the Board of Directors, Pitzner Gruppen Holding A/S, Copenhagen, Denmark

HARM OHLMEYER, RÖTTENBACH, GERMANY

CHIEF FINANCIAL OFFICER

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- Member of the Supervisory Board, SV Werder Bremen GmbH & Co KG aA, Bremen, Germany⁹

AMANDA RAJKUMAR, NUREMBERG, GERMANY

EXECUTIVE BOARD MEMBER IN CHARGE OF GLOBAL HUMAN RESOURCES, PEOPLE AND CULTURE

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- None

MARTIN SHANKLAND, NUREMBERG, GERMANY

EXECUTIVE BOARD MEMBER IN CHARGE OF GLOBAL OPERATIONS

Membership in control bodies pursuant to § 285 sec. 10 HGB:

- None

⁷ Until April 7, 2022.

⁸ Since February 3, 2021.

⁹ Since October 7, 2021.

SHAREHOLDINGS OF ADIDAS AG, HERZOGENAURACH, AS AT DECEMBER 31, 2021

	Company and domicile		Share in capital held by 1)	in %	Equity (EUR million)	Profit / Loss (EUR million)
	Germany					
1	adidas Insurance & Risk Consultants GmbH 2)	Herzogenaurach (Germany)	directly	100	0	-
2	adidas Beteiligungsgesellschaft mbH 2)	Herzogenaurach (Germany)	directly	100	682	-
3	adidas CDC Immobilieninvest GmbH	Herzogenaurach (Germany)	12	100	2	(2)
4	Reebok Marketing GmbH	Herzogenaurach (Germany)	directly	100	0	(0)
	Europe (incl. Middle East and Africa)				-	-
5	adidas sport gmbh	Lucerne (Switzerland)	directly	100	19	15
6	adidas Austria GmbH	Klagenfurt (Austria)	directly	100	7	1
7	runtastic GmbH	Pasching (Austria)	9	100	7	1
8	adidas France S.a.r.l.	Strasbourg (France)	directly	100	322	48
9	adidas International B.V.	Amsterdam (Netherlands)	directly	93.97	6,316	604
			8	6.03		
10	adidas International Trading AG	Lucerne (Switzerland)	9	100	2,775	595
11	adidas International Marketing B.V.	Amsterdam (Netherlands)	9	100	60	7
12	adidas International Property Holding B.V.	Amsterdam (Netherlands)	76	100	57	1
13	adidas Infrastructure Holding B.V.	Amsterdam (Netherlands)	9	100	(0)	(0)
14	adidas Benelux B.V.	Amsterdam (Netherlands)	directly	100	6	5
15	adidas Ventures B.V.	Amsterdam (Netherlands)	9	100	(31)	0
16	adidas (UK) Limited	Stockport (Great Britain)	9	100	44	38
17	Reebok International Limited	London (Great Britain)	67	100	239	33
18	Trafford Park DC Limited	London (Great Britain)	13	100	3	0
19	Reebok Pensions Management Limited	London (Great Britain)	17	100		
20	adidas (Ireland) Limited	Dublin (Ireland)	9	100	3	1
21	adidas International Re DAC	Dublin (Ireland)	9	100	34	5
22	Five Ten Europe NV	Lasne (Belgium)	69	99.95	0	-
			directly	0.05		
23	adidas España S.A.U.	Zaragoza (Spain)	2	100	49	12
24	adidas Finance Spain S.A.U.	Zaragoza (Spain)	23	100	0	0
25	adidas Italy S.p.A.	Monza (Italy)	9	100	139	13
26	adidas Portugal – Artigos de Desporto, S.A.	Lisbon (Portugal)	9	100	3	1
27	adidas Business Services, Lda.	Morea da Maia (Portugal)	9	98	2	3
			directly	2		
28	adidas Norge AS	Oslo (Norway)	directly	100	3	1
29	adidas Sverige Aktiebolag	Solna (Sweden)	directly	100	7	3
30	adidas Finance Sverige Aktiebolag	Solna (Sweden)	29	100	2	(0)
31	adidas Suomi Oy	Helsinki (Finland)	9	100	2	1
32	adidas Danmark A/S	Copenhagen (Denmark)	9	100	2	1
33	adidas CR s.r.o.	Prague (Czech Republic)	directly	100	3	1
34	adidas Budapest Kft.	Budapest (Hungary)	directly	100	1	(0)
35	adidas Bulgaria EAD	Sofia (Bulgaria)	directly	100	2	0
36	LLC 'adidas, Ltd.'	Moscow (Russia)	directly	100	389	37
37	adidas Poland Sp. z o.o.	Warsaw (Poland)	directly	100	23	8
38	adidas Finance Poland S.A.	Warsaw (Poland)	37	100	3	(0)
39	adidas Romania S.R.L.	Bucharest (Romania)	9	100	3	1
40	adidas Baltics SIA	Riga (Latvia)	9	100	1	0
41	adidas Slovakia s.r.o.	Bratislava (Slovak Republic)	directly	100	1	1
42	adidas Trgovina d.o.o.	Ljubljana (Slovenia)	directly	100	1	0
43	SC 'adidas-Ukraine'	Kiev (Ukraine)	directly	100	29	3

SHAREHOLDINGS OF ADIDAS AG, HERZOGENAURACH, AS AT DECEMBER 31, 2021

	Company and domicile		Share in capital held by 1)	in %	Equity (EUR million)	Profit / Loss (EUR million)
44	adidas LLP	Almaty (Republic of Kazakhstan)	directly	100	15	6
45	adidas Serbia DOO Beograd	Belgrade (Serbia)	9	100	6	2
46	adidas Croatia d.o.o.	Zagreb (Croatia)	9	100	9	1
47	adidas Hellas A.E.	Athens (Greece)	directly	100	28	3
48	adidas (Cyprus) Limited	Nicosia (Cyprus)	directly	100	1	0
49	adidas Spor Malzemeleri Satis ve Pazarlama A.S.	Istanbul (Turkey)	9	100	47	11
50	adidas Emerging Markets L.L.C	Dubai (United Arab Emirates)	indirectly	51	2	(22)
			8	49		
51	adidas Emerging Markets FZE	Dubai (United Arab Emirates)	9	100	82	63
52	adidas Levant Limited	Dubai (United Arab Emirates)	51	100	4	1
53	adidas Levant Limited – Jordan	Amman (Jordan)	52	100	3	2
54	adidas Imports & Exports Ltd.	Cairo (Egypt)	55	99.98	1	1
			9	0.02		
55	adidas Sporting Goods Ltd.	Cairo (Egypt)	9	90	12	3
			directly	10		
56	adidas Egypt Ltd.	Cairo (Egypt)	directly	99.13	(2)	-
			8	0.87		
57	adidas Israel Ltd.	Holon (Israel)	9	85	46	14
58	adidas Morocco LLC	Casablanca (Morocco)	directly	100	(7)	2
59	adidas (South Africa) (Pty) Ltd.	Cape Town (South Africa)	directly	100	33	11
North America						
60	adidas North America, Inc.	Portland, Oregon (USA)	9	100	4,274	29
61	adidas America, Inc.	Portland, Oregon (USA)	60	100	315	75
62	adidas International, Inc.	Portland, Oregon (USA)	60	100	103	15
63	adidas Team, Inc.	Des Moines, Iowa (USA)	60	100	(1)	-
64	adidas Holdings LLC	Wilmington, Delaware (USA)	60	100		
65	The Reebok Worldwide Trading Company, LLC	Wilmington, Delaware (USA)	67	100	0	6
66	Reebok Securities Holdings LLC	Wilmington, Delaware (USA)	60	100		
67	Reebok International Ltd., LLC	Wilmington, Delaware (USA)	64	100	(1,086)	167
68	adidas Indy, LLC	Wilmington, Delaware (USA)	60	99	(6)	(1)
			66	1		
69	Stone Age Equipment, Inc.	Portland, Oregon (USA)	61	100	3	(0)
70	Spartanburg DC, Inc.	Spartanburg, South Carolina (USA)	61	100	22	4
71	adidas Canada Limited	Woodbridge, Ontario (Canada)	9	100	160	22
Asia						
72	adidas Sourcing Limited	Hong Kong (China)	10	100	239	213
73	adidas Hong Kong Limited	Hong Kong (China)	2	100	(59)	(15)
74	Reebok Trading (Far East) Limited	Hong Kong (China)	67	100	7	0
75	adidas (Suzhou) Co., Ltd.	Suzhou (China)	2	100	6	0
76	adidas Sports (China) Co., Ltd.	Shanghai (China)	2	100	626	209
77	adidas (China) Ltd.	Shanghai (China)	9	100	152	41
78	adidas Sports Goods (Shanghai) Co., Ltd	Shanghai (China)	77	100	(9)	0
79	Runtastic Software Technology (Shanghai) Co., Ltd.	Shanghai (China)	9	100	1	(0)
80	Zhuhai adidas Technical Services Limited	Zhuhai (China)	72	100	6	0
81	adidas Logistics (Tianjin) Co., Ltd.	Tianjin (China)	13	100	27	0
82	adidas Business Services (Dalian) Limited	Dalian (China)	9	100	6	2

SHAREHOLDINGS OF ADIDAS AG, HERZOGENAURACH, AS AT DECEMBER 31, 2021

	Company and domicile		Share in capital held by 1)	in %	Equity (EUR million)	Profit / Loss (EUR million)
83	adidas Japan K.K.	Tokyo (Japan)	9	100	71	20
84	adidas Korea LLC.	Seoul (Korea)	directly	100	170	5
85	adidas Korea Technical Services Limited	Busan (Korea)	72	100	0	0
86	adidas India Private Limited	New Delhi (India)	directly	10.67	72	(0)
			9	89.33		
87	adidas India Marketing Private Limited	New Delhi (India)	86	98.62	130	13
			9	1		
			directly	0.37		
88	adidas Technical Services Private Limited	New Delhi (India)	72	100	3	0
89	Reebok India Company	New Delhi (India)	99	93.15	29	2
90	PT adidas Indonesia	Jakarta (Indonesia)	9	99.67	12	1
			directly	0.33		
91	adidas (Malaysia) Sdn. Bhd.	Petaling Jaya (Malaysia)	directly	60	12	1
			9	40		
92	ADIDAS PHILIPPINES, INC.	Taguig City (Philippines)	directly	100	11	0
93	adidas Singapore Pte. Ltd.	Singapore (Singapore)	directly	100	14	6
94	adidas Taiwan Limited	Taipei (Taiwan)	9	100	26	9
95	adidas (Thailand) Co., Ltd.	Bangkok (Thailand)	directly	100	25	1
96	adidas Australia Pty Limited	Mulgrave (Australia)	9	100	71	26
97	adidas New Zealand Limited	Auckland (New Zealand)	directly	100	9	4
98	adidas Vietnam Company Limited	Ho Chi Minh City (Vietnam)	9	100	(2)	0
99	Reebok (Mauritius) Company Limited	Port Louis (Mauritius)	67	99.07	(0)	-
			65	0.93		
	Latin America					
100	adidas Argentina S.A.	Buenos Aires (Argentina)	9	76.96	79	60
			2	23.04		
101	Reebok Argentina S.A.	Buenos Aires (Argentina)	directly	96.25	(0)	2
			9	3.75		
102	adidas do Brasil Ltda.	São Paulo (Brazil)	2	100	121	16
103	adidas Franchise Brasil Servicos Ltda.	São Paulo (Brazil)	102	99.99	5	7
			directly	0.01		
104	Reebok Produtos Esportivos Brasil Ltda.	São Paulo (Brazil)	9	100	2	0
105	adidas Chile Limitada	Santiago de Chile (Chile)	directly	99	51	24
			1	1		
106	adidas Colombia Ltda.	Bogotá (Colombia)	directly	100	20	14
107	adidas Perú S.A.C.	Lima (Peru)	directly	99.21	39	12
			105	0.79		
108	adidas de Mexico, S.A. de C.V.	Mexico City (Mexico)	directly	100	75	26
109	adidas Industrial, S.A. de C.V.	Mexico City (Mexico)	directly	100	22	2
110	Reebok de Mexico, S.A. de C.V.	Mexico City (Mexico)	directly	100	(28)	(1)
111	adidas Latin America, S.A.	Panama City (Panama)	directly	100	(55)	10
112	Concept Sport, S.A.	Panama City (Panama)	9	100	1	0
113	3 Stripes S.A.	Montevideo (Uruguay)	directly	100	(0)	-
114	Tafibal S.A.	Montevideo (Uruguay)	directly	100	(1)	2
115	Raelit S.A.	Montevideo (Uruguay)	directly	100	0	0
116	adidas Sourcing Honduras, S.A.	San Pedro Sula (Honduras)	60	100		
117	adidas Corporation de Venezuela, S.A.	Caracas (Venezuela)	directly	100	(0)	-

SHAREHOLDINGS OF ADIDAS AG, HERZOGENAURACH, AS AT DECEMBER 31, 2021

	Company and domicile		Share in capital held by 1)	in %	Equity (EUR million)	Profit / Loss (EUR million)
118	adisport Corporation	San Juan (Puerto Rico)	9	100	(1)	1
119	adidas Sourcing El Salvador, S.A. de C.V.	Antiguo Cuscatlán (El Salvador)	9	99.95	0	0
			directly	0.05		

1 The number refers to the number of the company.

2 Profit and loss transfer agreement.

REPRODUCTION OF THE INDEPENDENT AUDITOR'S REPORT

Based on the results of our audit, we have issued the following unqualified audit opinion:

INDEPENDENT AUDITOR'S REPORT

To adidas AG, Herzogenaurach

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

OPINIONS

We have audited the annual financial statements of adidas AG, Herzogenaurach, which comprise the balance sheet as of December 31, 2021, and the income statement for the financial year from January 1 to December 31, 2021, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the management report of the Company and the Group (combined management report) of adidas AG for the financial year from January 1 to December 31, 2021.

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.

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of December 31, 2021, and of its financial performance for the financial year from January 1 to December 31, 2021, in compliance with German legally required accounting principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual 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 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 [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

BASIS FOR THE OPINIONS

We conducted our audit of the annual financial statements and 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). We performed the audit of the annual financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company 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 annual financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from January 1 to December 31, 2021. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

■ Impairment testing of shares in affiliated companies

Please refer to the "Accounting policies" section in the notes to the financial statements for more information on the accounting policies applied and to section 3 in the notes to the financial statements for information on the accounting of financial assets.

THE FINANCIAL STATEMENT RISK

An amount of EUR 4,481 million in shares in affiliated companies was recognized under the “Financial assets” item on the balance sheet of adidas AG, Herzogenaurach, as of December 31, 2021. The shares in affiliated companies account for 40.5 % of total assets and thus have a material effect on the Company’s assets and liabilities.

The Executive Board of adidas AG recognizes the shares in affiliated companies at cost or, if they are expected to be permanently impaired, at their lower fair value.

Fair value depends largely on the assumptions made and is therefore subject to significant judgment. This relates in particular to the appropriate estimation of future cash flows and growth rates, appropriate determination of the risk-appropriate weighted average cost of capital and the appropriate assessment of the permanence of impairment or the reversal of an impairment loss.

There is the risk for the annual financial statements that an impairment loss or a reversal of an impairment loss existing as of the reporting date was not identified.

OUR AUDIT APPROACH

We use a risk-based audit approach. First, we used the information obtained during our audit to assess which shares in affiliated companies indicated a need for impairment.

Our audit procedures also included assessing the valuation model for the business valuations carried out by the Company. We confirmed the methodically correct derivation and appropriateness of the level of risk-appropriate discount rates used. For this reason we determined our own estimates of the underlying parameters for the weighted average cost of capital (such as risk-free rate, market risk premium, beta factor) and compared these with the client’s assumptions. To support this assessment, we involved our employees specializing in company valuation in the audit team.

Furthermore, we evaluated whether the budgeted cash flows underlying the valuations were made according to proper and reasonable assumptions. To do this, we obtained clarification from the Company or individuals at affiliated companies specified by the Company on these assumptions and the impact of strategic and operating activities on the budgeted cash flows. We used industry benchmarks to review the long-term earnings forecasts in relation to the appropriateness of the budgeted figures and assumptions included. To the extent possible, we assessed the planning quality by comparing past budgets with the actual annual results. Finally, we discussed with Investment Controlling the measurements determined by adidas AG and verified the accounting entry of the measurements derived from this.

OUR OBSERVATIONS

The valuation model used by adidas AG is appropriate and in line with applicable valuation policies. The Executive Board's assumptions underlying the measurement are balanced as a whole.

OTHER INFORMATION

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

- the components of the integrated combined non-financial statement of the Company and the Group, which are marked as unaudited
- the combined corporate governance statement for the Company and the Group included in the combined management report.

The other information also includes the remaining parts of the annual report. The other information does not include the annual financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the annual 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 annual 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 EXECUTIVE BOARD AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The Executive Board is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles. In addition, the Executive Board is responsible for such internal control as it, in accordance with German legally required accounting principles, has determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the Executive Board is responsible for assessing the Company's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, it is responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the Executive Board is responsible for the preparation of a combined management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the Executive Board is responsible for such arrangements and measures (systems) as it has 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 Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

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

Our objectives are to obtain reasonable assurance about whether the annual 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 Company's position and, in all material respects, is consistent with the annual 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 annual 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) and supplementary compliance with the ISAs 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 annual 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 annual 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the annual 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 Executive Board and the reasonableness of estimates made by the Executive Board and related disclosures.
- Conclude on the appropriateness of the Executive 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 Company'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 annual 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 Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles.
- Evaluate the consistency of the combined management report with the annual financial statements, its conformity with [German] law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the Executive Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Executive 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 related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual 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 ANNUAL 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 annual financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "tempResultDocument.xhtml" (SHA256-hash value: 67798ae70b2faefa1844ac44e5fc2ceb1601aea7a86a9fc9a917420cbe59b947) 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 annual financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual 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 annual financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2021, contained in the "Report on the Audit of the Annual Financial Statements and of 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 annual 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 (10.2021)) and the International Standard on Assurance Engagements 3000 (Revised)]. Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

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

In addition, the Company's Executive Board is responsible for such internal control as it has 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 at 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 annual financial statements and the audited combined management report.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor at the Annual General Meeting on May 12, 2021. We were engaged by the Supervisory Board on August 4, 2021. We have been the auditor of adidas AG without interruption since financial year 1995.

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 annual financial statements and the audited management report as well as the examined ESEF documents. The annual financial statements and the combined management report converted into

ESEF format – including the versions to be published in the German Federal Gazette [Bundesanzeiger] – are merely electronic renderings of the audited annual financial statements and the audited 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 provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Haiko Schmidt.

Munich, February 25, 2022

KPMG AG

Wirtschaftsprüfungsgesellschaft

[signature] Huber-Straßer

Wirtschaftsprüferin

[German Public Auditor]

[signature] Schmidt

Wirtschaftsprüfer

[German Public Auditor]

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the Management Report, which has been combined with the Group Management Report, includes a fair review of the development and performance of the business and the position of the company, together with a description of the material opportunities and risks associated with the expected development of the company.

Herzogenaurach, February 21, 2022



KASPER RORSTED
CHIEF EXECUTIVE OFFICER



ROLAND AUSCHEL
GLOBAL SALES



BRIAN GREVY
GLOBAL BRANDS



HARM OHLMEYER
CHIEF FINANCIAL OFFICER



AMANDA RAJKUMAR
GLOBAL HUMAN RESOURCES,
PEOPLE AND CULTURE



MARTIN SHANKLAND
GLOBAL OPERATIONS

SUPERVISORY BOARD REPORT

DEAR SHAREHOLDERS,

With strong top- and bottom-line improvements, 2021 marked a successful start into adidas' new strategic cycle. This was achieved despite several severe challenges the company has been facing. While the global economy started to recover, the coronavirus pandemic continued to impact industries and lives all over the globe. In addition, the challenging market environment in China had an adverse impact on the company's business activities. adidas was able to limit the impact from these headwinds as it quickly implemented effective countermeasures and took advantage of emerging opportunities. In March, the company launched its new strategy 'Own the Game.' Focusing on the most promising categories, channels, and markets in the highly attractive global sporting goods industry, 'Own the Game' is designed to significantly increase sales and profitability, generate substantial free cash flow and create attractive shareholder returns. In 2021 alone, the company returned € 1.6 billion to its shareholders through dividends and share buybacks. At the same time, investments into product development, marketing, sponsoring, sustainability, and digitalization will increase strongly over the next couple of years, laying the foundation for long-term success. Another important milestone in 2021 was the agreement to sell Reebok as it allows the company to focus its efforts on further strengthening the leading position of the adidas brand in the global sporting goods market. Against this background, the company is well positioned to continue generating profitable and sustainable growth in 2022 and beyond.

MONITORING AND ADVICE IN DIALOGUE WITH THE EXECUTIVE BOARD

In the year under review, we performed all of our tasks laid down by law, the Articles of Association, the German Corporate Governance Code ('Code'), and the Rules of Procedure carefully and conscientiously, as in previous years. We regularly advised the Executive Board on the management of the company as well as diligently and continuously monitored its management activities. The Executive Board involved us directly and in a timely and comprehensive manner in all of the company's fundamental decisions.

The Executive Board informed us extensively and regularly through written and oral reports. This information covered all relevant aspects of the company's corporate strategy, business planning (including financial, investment, and personnel planning), the course of business, and the company's financial position and profitability. We were also kept up to date on matters relating to accounting processes, the risk situation, and the effectiveness and development of the internal control and risk management systems and compliance as well as all major decisions and business transactions. In this context, the focus in the year under review was in particular on the divestiture process of Reebok, which was regularly and extensively discussed by the Supervisory Board. Furthermore, the Executive Board always explained immediately and in detail any deviation in the performance of the business from the established plans. In the year under review, the principal cause of deviation continued to be the unpredictable development of the coronavirus pandemic. Additional challenges included the geopolitical situation in China and extended lockdown measures, including factory closures in Vietnam and Indonesia in particular. The Executive Board reported to us regularly on the measures it had taken to mitigate the negative effects on operational performance. The Executive Board particularly informed us on the impact of the coronavirus pandemic on our employees and locations around the world. We supported the Executive Board in an advisory capacity on all of the measures implemented, each of which was intended to promote the long-term prosperity of adidas as well as its employees, consumers, and business partners.

Also for the preparation of our meetings, the Executive Board provided us regularly with comprehensive written reports. We thus always had the opportunity to critically analyze the Executive Board's reports and resolution proposals within the committees and within the entire Supervisory Board and to put forward suggestions before passing resolutions after in-depth examination and extensive consultation. At the Supervisory Board meetings, the Executive Board was available to discuss and answer our questions. In the periods between our meetings, the Executive Board also provided us with extensive monthly reports on the current business situation. We critically examined and challenged the information provided to us by the Executive Board.

MEETINGS OF THE SUPERVISORY BOARD AND ITS COMMITTEES

In the past financial year, the Supervisory Board primarily exercised its duties in plenary sessions. Members who were unable to participate in the meetings took part in the resolutions by submitting their vote in writing. Given the ongoing coronavirus pandemic and in order to protect the safety of all persons involved, most of our meetings were held virtually, as in the previous year. The latest videoconferencing technology was used to ensure an open and appropriate discussion between the Executive Board and Supervisory Board within the virtual meetings. Once again, the Supervisory Board and its committees achieved a consistently high participation rate at meetings during the year under review, totaling approximately 98% (2020: approximately 97%).

The external auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, ('KPMG') attended all meetings of the Supervisory Board, with the exception of one extraordinary meeting, insofar as no Executive Board matters or internal matters of the Supervisory Board were dealt with. In addition, KPMG attended all meetings of the Audit Committee with the exception of individual agenda items concerning the impending external rotation of the auditor.

In the periods between meetings, the Supervisory Board Chairman and the Audit Committee Chairman maintained regular contact with the Chief Executive Officer and the Chief Financial Officer, conferring on matters such as corporate strategy, business planning and development, the risk situation, control and risk management as well as compliance. A key issue during the year under review was the impact of external uncertainties arising from, inter alia, the geopolitical situation in China, the factory closures in Vietnam and Indonesia in particular, the resulting supply chain challenges, and the respective mitigation measures. In addition, the Supervisory Board Chairman and, as applicable, the entire Supervisory Board, were informed about events of fundamental importance for evaluating the situation, development, and management of the company, when necessary also at short notice. The Chairman of the Supervisory Board regularly reported during meetings on discussions with the Executive Board outside the Supervisory Board meetings.

The Supervisory Board also met regularly without the Executive Board members, in particular to discuss internal affairs of the Supervisory Board as well as personnel and compensation matters relating to the Executive Board.

INDIVIDUAL MEETING PARTICIPATION OF THE SUPERVISORY BOARD MEMBERS

	Number of meetings	Participation	Participation rate
Members of the Supervisory Board as at December 31, 2021			
Thomas Rabe, Chairman	12	12	100%
Ian Gallienne, Deputy Chairman	12	12	100%
Udo Müller, Deputy Chairman	12	12	100%
Petra Auerbacher	7	6	86%
Roswitha Hermann	7	7	100%
Jackie Joyner-Kersee ¹	4	4	100%
Christian Klein	7	7	100%
Kathrin Menges ²	10	10	100%
Roland Nosko	12	12	100%
Beate Rohrig	7	7	100%
Nassef Sawiris	7	6	86%
Frank Scheiderer	11	11	100%
Michael Storl	7	7	100%
Bodo Uebber	12	12	100%
Jing Ulrich	7	7	100%
Günter Weigl	12	12	100%
Member of the Supervisory Board until the end of the Annual General Meeting on May 12, 2021			
Herbert Kauffmann	5	5	100%

¹ Member of the Supervisory Board from the end of the Annual General Meeting on May 12, 2021.

² Member of the Audit Committee from the end of the Annual General Meeting on May 12, 2021.

TASKS AND TOPICS FOR THE ENTIRE SUPERVISORY BOARD

In the year under review, there were seven meetings of the entire Supervisory Board (2020: ten meetings).

The following subject areas were presented to us in detail by the Executive Board for regular discussion at meetings of the entire Supervisory Board: the development of sales, earnings, and employment situation; the financial position of the company; and the development of the company's individual operations, brands, and markets. In addition, we examined the impact of the ongoing coronavirus pandemic on the global economy and the company. As in previous years, our primary concern was the health and safety of our employees, shareholders, consumers, and partners. Another area of particular focus was the Reebok divestiture process. We also addressed the geopolitical situation and challenging market conditions in China as well as the supply chain disruptions across the industry and, together with the Executive Board, discussed the resulting impacts on the operating business and possible mitigation measures. Additionally, we examined the development of e-commerce sales, the continued expansion of adidas' direct-to-consumer business, and the progress of the company's digital transformation. We also discussed the annual and multi-year planning of the Executive Board. In particular, we examined the implementation of the new long-term strategy 'Own the Game' that will run from the 2021 to 2025 financial years. At our meetings, the Executive Board consulted extensively with the Supervisory Board and gave regular reports on the implementation progress. Finally, the Executive Board provided regular updates on the implementation of

measures to promote Diversity, Equity, and Inclusion at adidas – measures that are the basis of our new people strategy.

In accordance with statutory regulations or the Rules of Procedure, certain transactions and measures by the Executive Board require the prior approval of the Supervisory Board. The Supervisory Board discussed transactions requiring approval as they arose and gave its approval to resolution items after detailed reviews, in some cases after preparation by the relevant committees. In addition, the Supervisory Board regularly discussed personnel and compensation matters with respect to the Executive Board as well as questions of corporate governance. ► [SEE COMPENSATION REPORT](#) ► [SEE DECLARATION ON CORPORATE GOVERNANCE](#)

At the February meeting of the Supervisory Board, the Executive Board reported on the company's situation and preliminary results for the 2020 financial year, the communications plan for the new corporate strategy, and the dividend and distribution policy of adidas AG. In addition, the Supervisory Board approved the Executive Board's proposal to examine and implement strategic options for the Reebok business, including the possibility of sale. Following the completion of the review of strategic alternatives for Reebok, the Executive Board decided to initiate a formal process aimed at divesting Reebok. We also examined the upcoming election of a shareholder representative to the Supervisory Board at the 2021 Annual General Meeting. Other topics of discussion included Executive Board compensation and corporate governance. In this context, we discussed the Declaration on Corporate Governance. In addition, having determined the degree of target achievement and having discussed in detail the individual performance of Executive Board members, we set the variable compensation to be paid to the Executive Board members for the 2020 financial year. We also determined the appropriateness of Executive Board compensation following an internal appropriateness test.

At the balance sheet meeting in March, the Executive Board reported on the financial results for the past financial year as well as on the audit of the 2020 annual financial statements and consolidated financial statements. Before the Supervisory Board passed the resolution, the auditor reported on the material results of the audit, including the results of the examination of the content of the non-financial statement commissioned by the Supervisory Board in accordance with § 111 section 2 sentence 4 of the German Stock Corporation Act (Aktiengesetz – AktG). After in-depth examination of the financial statements and on the basis of the independent auditor's report and the Audit Committee report on the audit results, the Supervisory Board approved the annual financial statements and consolidated financial statements as well as the combined Management Report, including the non-financial statement for adidas AG and the adidas Group. Thus, the annual financial statements were adopted. In addition, the Executive Board presented the current business situation of the company, the outlook for the 2021 financial year, the communications plan for the long-term corporate strategy, and the key points of the new people strategy. Other topics of discussion included compliance and major legal disputes involving adidas. Additionally, the Supervisory Board approved adjustments to the budget and investment planning for the 2021 financial year in light of the ongoing coronavirus pandemic and the planned divestiture of Reebok. Furthermore, we approved the Supervisory Board Report to the Annual General Meeting as well as the proposed resolutions to be submitted to the 2021 Annual General Meeting, including the proposal on the appropriation of retained earnings for the 2020 financial year. Moreover, at the March meeting of the Supervisory Board, we approved the new compensation system for members of the Executive Board and Supervisory Board based on preparatory work by the General Committee, and determined the key criteria and targets for the variable, performance-related compensation of Executive Board members for the 2021 financial year. Before passing the resolution on the new compensation system for the Executive Board, the level of Executive Board

compensation was also reviewed. In this context, the appropriateness of the Executive Board compensation was also determined on the basis of an external appropriateness test.

At the meeting in May, we focused on current business performance, the business situation in China, and the planned divestiture of Reebok. The Executive Board presented the Q1 2021 results and the outlook for the 2021 financial year. We also discussed the development process of the new people strategy. In addition, another focus of the meeting was on personnel matters relating to the Executive Board and Supervisory Board. The service contracts of the current Executive Board members were adjusted in line with the new compensation system approved at the March meeting. After extensive consultation, the Supervisory Board appointed Martin Shankland as a member of the Executive Board of adidas AG for a further five years. Furthermore, Amanda Rajkumar was appointed as Labor Director at adidas AG. In addition, the Supervisory Board appointed Kathrin Menges as member of the Audit Committee after the previous committee member Herbert Kauffmann departed from the Supervisory Board with effect from the end of the Annual General Meeting on May 12, 2021. Furthermore, the Supervisory Board approved the continuation of an existing brand ambassador agreement between adidas International, Inc., and Jackie Joyner-Kersey following her appointment to the Supervisory Board at the Annual General Meeting on May 12, 2021.

At an extraordinary meeting of the Supervisory Board in June, based on authorization granted by the Annual General Meeting on May 12, 2021, we approved the introduction of a new share buyback program for the 2021 financial year as a measure requiring approval.

At the August meeting, we discussed the Q2 and half-year results for 2021, the business situation in China, the factory closures in Vietnam and Indonesia, and the outlook for 2021. We also examined the Reebok sales process in detail. The Supervisory Board approved the sale of the Reebok business in principle and formed an ad hoc committee that instead of the Supervisory Board was authorized to issue specific approvals on all transactions and measures relating to the sale of Reebok, which require approval by the Supervisory Board. We also consulted extensively and in detail on the people strategy at adidas and on the subject of tech and data, including planned investments in this area. Additionally, we revised the competency profile for the Supervisory Board, including targets for its composition, as well as the Rules of Procedure for the Executive Board and Supervisory Board in light of the new Financial Market Integrity Strengthening Act (Gesetz zur Stärkung der Finanzmarktintegrität – FISG), which came into force on July 1, 2021. We also approved the appointment of Harm Ohlmeyer to the Supervisory Board of SV Werder Bremen GmbH & Co KGaA.

The October meeting focused primarily on the current business situation and the preliminary results for Q3 2021. The Executive Board reported on the planned expansion of the 2021 share buyback program introduced in July 2021, to which we granted our approval. We also approved the proposed cancelation of shares repurchased under the share buyback program and the resulting capital reduction.

At the December meeting, we discussed the Budget and Investment Plan presented by the Executive Board for the 2022 financial year, which we approved after detailed consultation, as well as the marketing and sponsorship agreements concluded in the year under review. In addition, the Executive Board provided an in-depth report on the implementation of the new corporate strategy, 'Own the Game.' In this connection, we also discussed the company's digital activities and key sustainability initiatives. Furthermore, we approved the investment in network expansion at our distribution centers in line with the strategy. Based on the authorization granted at the Annual General Meeting on May 12, 2021, we approved the launch of a new share buyback program for the 2022–2025 financial years as a measure requiring approval. In light of the imminent external rotation of the auditor and on the basis of preparatory work and reporting by the Audit

Committee, the Supervisory Board discussed and agreed in detail the proposals for a new auditor for the annual and consolidated financial statements for the 2023 financial year. In addition, we discussed the succession planning for the Executive Board, the assessment of the independence of the Supervisory Board members, and the Declaration of Compliance with the Code. In view of the departure of the previous committee member Roswitha Hermann from the Supervisory Board with effect from December 31, 2021, Petra Auerbacher was elected to the Mediation Committee. Furthermore, it was decided to maintain the deductible of at least 10% of the claim in connection with the insurance of Supervisory Board members against risks arising from their professional activities (D&O insurance). Finally, the Supervisory Board discussed the implementation status of the proposed changes and improvements from the self-assessment conducted in the 2020 financial year and appointed Kathrin Menges as ESG representative on the Supervisory Board. At its December meeting, the Supervisory Board also received a detailed presentation on adidas' latest innovations and upcoming products.

TASKS AND TOPICS FOR THE COMMITTEES

In order to perform our tasks in an efficient manner, we have established a total of five standing Supervisory Board committees as well as a dedicated Reebok ad hoc committee in the year under review. The committees prepare resolutions and topics for the meetings of the entire Supervisory Board. Within the legally permissible framework and in appropriate cases, we have furthermore delegated the Supervisory Board's authority to pass certain resolutions to individual committees. With the exception of the Audit Committee, the Supervisory Board Chairman also chairs all the standing committees. The respective committee chairmen report to the Supervisory Board on their work as well as the content and results of the committee meetings on a regular and comprehensive basis.

The **Steering Committee** did not meet in the year under review.

The **General Committee** held four meetings during the year under review (2020: nine meetings). The main task of the General Committee was to prepare resolutions for the entire Supervisory Board on personnel and compensation matters of the Executive Board. In particular, it provided comprehensive advice on the reappointment of Martin Shankland and the appointment of Amanda Rajkumar as Labor Director at adidas AG. In addition, the adjustment of the service contracts of current Executive Board members in line with the new compensation system approved at the March meeting of the Supervisory Board was prepared. Regarding Executive Board compensation, the General Committee drafted proposals for resolutions on the targets, target achievement, and amount of the variable performance-related compensation, and pre-examined the appropriateness of the Executive Board compensation. Furthermore, the General Committee discussed in detail the new compensation system and long-term succession planning for the Executive Board.

The **Audit Committee** held four meetings during the year under review (2020: five meetings). The Chief Financial Officer and the auditor were present at all meetings and reported to the committee members in detail. The auditor was not present, however, during agenda items where we evaluated and agreed on proposals for the external rotation of the auditor for the annual and consolidated financial statements for the 2023 financial year.

In addition to the monitoring of the accounting process, the committee's work also focused on the audit of the annual financial statements and the consolidated financial statements for 2020, including the combined Management Report and the non-financial statement of adidas AG and the Group, as well as the proposal regarding the appropriation of retained earnings. Following an in-depth review of the audit reports with the

auditor, the Audit Committee decided to recommend to the Supervisory Board to approve the 2020 annual financial statements and consolidated financial statements. In addition, the Audit Committee prepared the audit of the non-financial statement and resolved to commission KPMG to examine the content of the non-financial statement with limited assurance pursuant to § 111 section 2 sentence 4 AktG. Following in-depth discussions, the Audit Committee also made a recommendation to the Supervisory Board regarding the proposal to the 2021 Annual General Meeting for the appointment of the auditor. The Audit Committee declared to the Supervisory Board that the recommendation was free from undue influence by a third party and that no clause of the kind referred to in Article 16 section 6 of the (EU) Regulation No. 537/2014 of the European Parliament and of the Council of April 16, 2014, on specific requirements regarding the statutory audit of public-interest entities was imposed upon it.

In the year under review, the Audit Committee dealt intensively with the continued development and monitoring of the effectiveness of the risk management system, the internal audit system, the internal control system, and the compliance management system. Other matters discussed in detail were the assignment of the audit mandate to the auditor appointed by the Annual General Meeting and the determination of the audit fees and key audit matters. In addition, the Audit Committee monitored the independence and qualification of the auditor, while also taking into account the non-audit services provided by the auditor. With regard to the quality of the audit, the Audit Committee determined on the basis of the auditor's report on its own quality assurance system, the findings of the German Auditor Oversight Body (Abschlussprüferaufsichtsstelle – APAS), and its internal quality review, that there were no indications of quality issues in the 2020 audit. Finally, the Audit Committee discussed the quarterly financial results and the half-year financial report. In the year under review, the Audit Committee also dealt intensively with the imminent external rotation of the auditor in 2023, defined the key parameters regarding the tendering process, and prepared election proposals for the Supervisory Board for resolution. The selection process was conducted on the basis of written tenders, presentations from, and direct discussions with the qualified audit firms. The quality, qualifications, and independence of the auditors were examined and evaluated. The Audit Committee also validated the detailed report on the selection process, which provides transparent documentation of the tendering and selection procedures. In addition, the Audit Committee dealt extensively with the audit plan and risk management report during the year under review. At each committee meeting, the Audit Committee was also informed about the findings and developments of internal audit as well as in the area of compliance.

Furthermore, the meetings of the Audit Committee covered topics such as data protection and information security, business partner due diligence, adidas Global Business Services as well as tax and sustainability topics (including the Executive Board compensation target 'share of sustainable articles offered') at adidas. Finally, the Audit Committee discussed the requirements of the new Financial Market Integrity Strengthening Act (FISG), the new EU Taxonomy Regulation, and the new Supply Chain Act (Lieferkettengesetz).

The **Nomination Committee** did not meet during the year under review (2020: two meetings). Already in the 2020 financial year, the Nomination Committee used a requirements profile based on the Supervisory Board's own competency profile to assess the suitability of candidates and prepared the Supervisory Board's proposal to the 2021 Annual General Meeting regarding the election of a shareholder representative on the Supervisory Board. The Nomination Committee also advised on the suitability and independence of candidates in relation to the regulatory requirements.

As in previous years, the **Mediation Committee** to be established in accordance with the German Co-Determination Act (Mitbestimmungsgesetz — MitbestG) did not have to be convened in the year under review.

The **Reebok Ad Hoc Committee**, which was established in the context for the sale of the Reebok business, held one meeting during the year under review. The committee examined the divestiture of Reebok based on the Executive Board's proposal, the details of the proposed transaction and contractual terms as well as the criteria and reasons for the buyer selection. Ultimately, the committee granted its approval to the proposed transaction and to all transactions and measures relating to the sale of Reebok that require the approval of the Supervisory Board.

ELECTION AND COMPOSITION OF THE SUPERVISORY BOARD

Herbert Kauffmann, a long-serving member of the Supervisory Board and former Chairman of the Audit Committee, was elected as a shareholder representative at the Annual General Meeting on May 9, 2019, until the end of the 2021 Annual General Meeting. With Herbert Kauffmann's term of office set to expire, the Supervisory Board proposed a new candidate for election to the 2021 Annual General Meeting following detailed consultation and preparation by the Nomination Committee. The 2021 Annual General Meeting approved the Supervisory Board's proposal by a large majority and elected Jackie Joyner-Kersey as a new member of the Supervisory Board from the end of the Annual General Meeting of adidas AG on May 12, 2021, until the end of the 2024 Annual General Meeting. ► **SEE SUPERVISORY BOARD**

The election proposal by the Supervisory Board was preceded by a careful process of selecting suitable candidates. The selection criteria for candidates were determined using a pre-defined requirements profile and were based on the objectives set by the Supervisory Board for the composition of the Supervisory Board, taking into account the competency profile, legal requirements, and applicable recommendations of the Code.

With the expiry of Herbert Kauffmann's term of office, it was necessary to amend the composition of the Audit Committee. Effective from the end of the 2021 Annual General Meeting, the Supervisory Board elected Kathrin Menges as a new member of the Audit Committee.

In addition, Roswitha Hermann resigned her mandate as employee representative on the Supervisory Board with effect from December 31, 2021. With effect as of January 1, 2022, and for the period until the end of the 2024 Annual General Meeting, Bastian Knobloch was appointed as a new employee representative on the Supervisory Board. This also led to a change in the composition of the Mediation Committee, with Petra Auerbacher being elected as a new member from January 1, 2022.

The members of the Supervisory Board are individually responsible for undertaking any necessary training and further education measures required for their tasks. To assist them in their role, the company offered Supervisory Board members who joined the Supervisory Board during the year under review, or who assumed new responsibilities within the Supervisory Board, an introduction to the work of the Supervisory Board and/or to new areas of responsibility within adidas AG. The Supervisory Board members were given detailed resources on the business and subject areas that are relevant to their particular tasks. In addition, the Supervisory Board attended a company presentation that included the latest innovations and new product launches from adidas and its cooperation partners. Furthermore, the company regularly informs the Supervisory Board about current legislative changes and external training opportunities, and provides the Supervisory Board with relevant specialist literature.

CHANGES TO THE EXECUTIVE BOARD

Effective January 1, 2021, Amanda Rajkumar joined the Executive Board with responsibility for Global Human Resources, People and Culture. On May 1, 2021, Amanda Rajkumar also assumed the role of Labor Director from Harm Ohlmeyer, who had held that position since May 2017. In addition, we extended the mandate of Martin Shankland, responsible for Global Operations, for a further five years until 2027.

► [SEE EXECUTIVE BOARD](#)

CORPORATE GOVERNANCE

The Supervisory Board regularly monitors the application and further development of the corporate governance regulations within the company, in particular the implementation of the recommendations of the Code. The Supervisory Board and its committees discussed in their meetings the requirements of the German Stock Corporation Act (Aktiengesetz – AktG) and the Code in regard to corporate governance. Further detailed information on corporate governance within the company can be found in the Declaration on Corporate Governance. ► [SEE DECLARATION ON CORPORATE GOVERNANCE](#)

Following an in-depth discussion, the current Declaration of Compliance pursuant to § 161 AktG was resolved upon by the Executive Board and Supervisory Board of adidas AG in December 2021 and was made permanently available on our website. ► [ADIDAS-GROUP.COM/S/CORPORATE-GOVERNANCE](https://adidas-group.com/s/corporate-governance)

In the year under review, there were no conflicts of interest among the members of either the Supervisory Board or the Executive Board. In the opinion of the Supervisory Board, the brand ambassador agreement between adidas International, Inc., and Supervisory Board member Jackie Joyner-Kersey does not constitute a conflict of interest with regard to her role on the Supervisory Board.

EXAMINATION OF THE ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

The 2021 Annual General Meeting elected KPMG as auditor and Group auditor for the 2021 financial year as proposed by the Supervisory Board and recommended by the Audit Committee. Prior to this, KPMG had confirmed to both the Supervisory Board and Audit Committee that there are no circumstances which could prejudice its independence as auditor or which could cast doubt on KPMG's independence. In this respect, KPMG also declared to which extent non-audit services were rendered for the company in the previous financial year or are contractually agreed upon for the following year.

KPMG audited the 2021 consolidated financial statements prepared by the Executive Board in accordance with § 315e of the German Commercial Code (Handelsgesetzbuch – HGB) in compliance with the International Financial Reporting Standards (IFRS), as they are to be applied in the European Union, and issued an unqualified opinion thereon. This also applies to the 2021 annual financial statements of adidas AG, prepared in accordance with the requirements of the German Commercial Code, and the combined Management Report of adidas AG and the adidas Group. Furthermore, at the request of the Supervisory Board, KPMG audited the non-financial statement. The financial statements, the proposal on the appropriation of retained earnings, and the auditor's reports of the annual and consolidated financial statements were distributed by the Executive Board to all Supervisory Board members in a timely manner.

The financial statements were examined in depth, with a particular focus on legality and regularity, in the presence of the auditor at the Audit Committee meeting held on March 7, 2022, and at the balance sheet meeting of the Supervisory Board on March 8, 2022, during which the Executive Board explained the financial statements in detail. At both meetings, the auditor reported on the material results of the audit, inter alia with regard to the audit focus points agreed as well as the key audit matters, and was available for

questions and the provision of additional information. The auditor did not report any significant weaknesses with respect to the internal control and risk management system relating to the accounting process. Prior to the passing of the resolution, the auditor reported on the results of the examination of the non-financial statement with limited assurance as commissioned by the Audit Committee in accordance with § 111 section 2 sentence 4 AktG. In addition, the Supervisory Board discussed in depth and approved the Executive Board's proposal concerning the appropriation of retained earnings for the 2021 financial year.

Based on our own audits of the annual and consolidated financial statements (including the non-financial statement), we came to the conclusion that there are no objections to be raised. Following the recommendation of the Audit Committee, the Supervisory Board therefore approved the audit results and the financial statements prepared by the Executive Board, including the non-financial statement for the 2021 financial year. The annual financial statements were thus adopted. The annual financial statements are signed by the auditors Haiko Schmidt as the responsible audit partner since the 2017 financial year and Angelika Huber-Straßer since the 2021 financial year.

KPMG has been acting as auditor and Group auditor for adidas AG since the 1995 financial year. On the basis of the transitional periods of Article 41 Regulation (EU) No. 537/2014, KPMG may not be reappointed as auditor after June 17, 2023. In the 2021 financial year, the Audit Committee already conducted a tendering and selection process for a new auditor for the 2023 financial year in accordance with the requirements of Article 16 section 3 of the EU Audit Regulation. Based on the proposal submitted by the Audit Committee, the entire Supervisory Board agreed to propose to the 2022 Annual General Meeting that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft be appointed as the auditor and Group auditor for the 2023 financial year. KPMG will again be proposed as auditor of the annual financial statements and consolidated financial statements for the 2022 financial year at the 2022 Annual General Meeting.

EXPRESSION OF THANKS

On behalf of the entire Supervisory Board, I would like to thank Herbert Kauffmann, long-serving member and former Chairman of the Audit Committee who departed during the year under review, for his enormous commitment to the company and exceptional achievements on the Supervisory Board. Furthermore, I wish to thank our former Supervisory Board member Roswitha Hermann, who stepped down on December 31, 2021, as well as the current Executive Board and all our employees around the world for their great personal dedication and ongoing commitment. I would also like to express my thanks for the enduring trust and cooperation between the employee and shareholder representatives on the Supervisory Board.

For the Supervisory Board



THOMAS RABE

CHAIRMAN OF THE SUPERVISORY BOARD

March 2022

adidas AG

ADI-DASSLER-STR. 1
91074 HERZOGENAURACH
GERMANY
WWW.ADIDAS-GROUP.COM