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**CONSOLIDATED
FINANCIAL STATEMENTS**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ADIDAS AG CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS) € IN MILLIONS

	Note	Dec. 31, 2021	Dec. 31, 2020	Change in %
Assets				
Cash and cash equivalents	04	3,828	3,994	(4)
Accounts receivable	05	2,175	1,952	11
Other current financial assets	06	745	702	6
Inventories	07	4,009	4,397	(9)
Income tax receivables	34	91	109	(17)
Other current assets	08	1,062	999	6
Assets classified as held for sale	03	2,033	0	802,611
Total current assets		13,944	12,154	15
Property, plant, and equipment	09	2,256	2,157	5
Right-of-use assets	10	2,569	2,430	6
Goodwill	11	1,228	1,208	2
Trademarks	12	16	750	(98)
Other intangible assets	12	336	252	34
Long-term financial assets	13	290	353	(18)
Other non-current financial assets	14	160	414	(61)
Deferred tax assets	34	1,263	1,233	2
Other non-current assets	15	74	103	(28)
Total non-current assets		8,193	8,899	(8)
Total assets		22,137	21,053	5

1	2	3	4	5
TO OUR SHAREHOLDERS	GROUP MANAGEMENT REPORT - OUR COMPANY	GROUP MANAGEMENT REPORT - FINANCIAL REVIEW	CONSOLIDATED FINANCIAL STATEMENTS	ADDITIONAL INFORMATION

ADIDAS AG CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IFRS) € IN MILLIONS

	Note	31. Dec. 2021	Dec. 31, 2020	Change in %
Liabilities and equity				
Short-term borrowings	16	29	686	(96)
Accounts payable		2,294	2,390	(4)
Current lease liabilities	19	573	563	2
Other current financial liabilities	17	363	446	(19)
Income taxes	34	536	562	(5)
Other current provisions	18	1,458	1,609	(9)
Current accrued liabilities	20	2,684	2,172	24
Other current liabilities	21	434	398	9
Liabilities classified as held for sale	03	594	-	n.a.
Total current liabilities		8,965	8,827	2
Long-term borrowings	16	2,466	2,482	(1)
Non-current lease liabilities	19	2,263	2,159	5
Other non-current financial liabilities	22	51	115	(55)
Pensions and similar obligations	23	267	284	(6)
Deferred tax liabilities	34	122	241	(49)
Other non-current provisions	18	149	229	(35)
Non-current accrued liabilities	20	8	8	(3)
Other non-current liabilities	24	9	17	(46)
Total non-current liabilities		5,334	5,535	(4)
Share capital		192	195	(2)
Reserves (thereof at Dec. 31st, 2021 € 128 million relating to the Reebok disposal group)		69	(474)	n.a.
Retained earnings		7,259	6,733	8
Shareholders' equity	25	7,519	6,454	17
Non-controlling interests	27	318	237	34
Total equity		7,837	6,691	17
Total liabilities and equity		22,137	21,053	5

CONSOLIDATED INCOME STATEMENT

ADIDAS AG CONSOLIDATED INCOME STATEMENT (IFRS) € IN MILLIONS

	Note	Year ending Dec. 31, 2021	Year ending Dec. 31, 2020	Change
Net sales	36	21,234	18,435	15.2%
Cost of sales		10,469	9,213	13.6%
Gross profit		10,765	9,222	16.7%
(% of net sales)		50.7%	50.0%	0.7pp
Royalty and commission income		86	61	40.9%
Other operating income	29	28	42	(34.8%)
Other operating expenses	09, 12, 30, 31	8,892	8,580	3.6%
(% of net sales)		41.9%	46.5%	(4.7pp)
Marketing and point-of-sale expenses		2,547	2,373	7.3%
(% of net sales)		12.0%	12.9%	(0.9pp)
Distribution and selling expenses		4,782	4,601	3.9%
(% of net sales)		22.5%	25.0%	(2.4pp)
General and administration expenses		1,481	1,379	7.4%
(% of net sales)		7.0%	7.5%	(0.5pp)
Sundry expenses		76	116	(34.5%)
(% of net sales)		0.4%	0.6%	(0.3pp)
Impairment losses (net) on accounts receivable and contract assets		6	111	(94.9%)
Operating profit		1,986	746	166.3%
(% of net sales)		9.4%	4.0%	5.3pp
Financial income	32	19	29	(32.1%)
Financial expenses	32	153	196	(22.0%)
Income before taxes		1,852	578	220.2%
(% of net sales)		8.7%	3.1%	5.6pp
Income taxes	34	360	117	207.9%
(% of income before taxes)		19.4%	20.2%	(0.8pp)
Net income from continuing operations		1,492	461	223.4%
(% of net sales)		7.0%	2.5%	4.5pp
Gain/(loss) from discontinued operations, net of tax	03	666	(19)	n.a.
Net income		2,158	443	387.4 %
(% of net sales)		10.2%	2.4%	7.8pp
Net income attributable to shareholders		2,116	432	389.6%
(% of net sales)		10.0%	2.3%	7.6pp
Net income attributable to non-controlling interests		42	11	296.5%
Basic earnings per share from continuing operations (in €)	35	7.47	2.31	223.3%
Diluted earnings per share from continuing operations (in €)	35	7.47	2.31	223.3%
Basic earnings per share from continuing and discontinued operations (in €)	35	10.90	2.21	392.1%
Diluted earnings per share from continuing and discontinued operations (in €)	35	10.90	2.21	392.1%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

ADIDAS AG CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS) € IN MILLIONS

	Note	Year ending Dec. 31, 2021	Year ending Dec. 31, 2020
Net income after taxes		2,158	443
Items of other comprehensive income that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans (IAS 19), net of tax ¹	23	50	(15)
Net gain / (loss) on other equity investments (IFRS 9), net of tax	28	1	(2)
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss		52	(17)
Items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met			
Net gain / (loss) on cash flow hedges and net foreign investment hedges, net of tax	28	186	(100)
Net (loss) / gain on cost of hedging reserve – options, net of tax	28	(6)	7
Net gain / (loss) on cost of hedging reserve – forward contracts, net of tax	28	11	(30)
Currency translation differences		330	(401)
Subtotal of items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met		521	(524)
Other comprehensive income		573	(540)
Total comprehensive income		2,731	(97)
Attributable to shareholders of adidas AG		2,650	(87)
Attributable to non-controlling interests		81	(10)

¹ Includes actuarial gains or losses relating to defined benefit obligations, return on plan assets (excluding interest income) and the asset ceiling effect. The accompanying Notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ADIDAS AG CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IFRS) € IN MILLIONS

	Note	Share capital	Capital reserve	Cumulative currency translation differences	Hedging reserve	Cost of hedging reserve – options	Cost of hedging reserve – forward contracts	Other reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
Balance at January 1, 2020		196	887	(470)	(150)	(10)	6	(218)	6,555	6,796	261	7,058
Other comprehensive income				(380)	(100)	7	(30)	(17)		(519)	(21)	(540)
Net income									432	432	11	443
Total comprehensive income				(380)	(100)	7	(30)	(17)	432	(87)	(10)	(97)
Repurchase of adidas AG shares	25	(1)							(263)	(264)		(264)
Repurchase of adidas AG shares due to equity-settled share-based payment	25								(29)	(29)		(29)
Reissuance of treasury shares due to equity-settled share-based payment	25								36	36		36
Dividend payment									–	–	(17)	(17)
Equity-settled share-based payment	26								2	2		2
First-time consolidation due to obtaining control in accordance with IFRS 10											3	3
Balance at December 31, 2020 / January 1, 2021		195	887	(850)	(250)	(3)	(23)	(235)	6,733	6,454	237	6,691
Other comprehensive income				308	186	(6)	11	35		534	39	573
Net income									2,116	2,116	42	2,158
Total comprehensive income				308¹	186	(6)	11	35	2,116	2,650	81	2,731
Repurchase of adidas AG shares	25	(3)							(1,001)	(1,004)		(1,004)
Repurchase of adidas AG shares due to equity-settled share-based payment	25								(32)	(32)		(32)
Reissuance of treasury shares due to equity-settled share-based payment	25								35	35		35
Dividend payment									(585)	(585)		(585)
Equity-settled share-based payment	26								1	1		1
Cancellation of treasury shares	25		8						(8)	–		–
Balance at December 31, 2021		192	895	(542) ²	(64)	(8)	(12)	(200)	7,259	7,519	318	7,837

The accompanying Notes are an integral part of these consolidated financial statements.

1 Total net loss of foreign currency translation differences for discontinued operations for 2021 are reflected within this position in an amount to € 79 million

2 Total net loss of cumulative foreign currency translation differences for discontinued operations are reflected within this position in an amount to € 128 million

CONSOLIDATED STATEMENT OF CASH FLOWS

ADIDAS AG CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS) € IN MILLIONS

	Note	Year ending Dec. 31, 2021	Year ending Dec. 31, 2020
Operating activities:			
Income before taxes from continuing operations		1,852	578
Adjustments for:			
Depreciation, amortization and impairment losses	11, 12, 30, 32	1,149	1,261
Reversals of impairment losses	29	(34)	(5)
Interest income	32	(13)	(25)
Interest expense	32	111	156
Unrealized foreign exchange losses, net		51	35
Losses on sale of property, plant and equipment and intangible assets, net		13	28
Other non-cash effects from operating activities	29, 30	6	2
Operating profit before working capital changes		3,135	2,031
(Increase)/Decrease in receivables and other assets		(170)	337
Decrease/(Increase) in inventories		125	(481)
Increase/(Decrease) in accounts payable and other liabilities		226	(117)
Cash generated from operations before taxes		3,316	1,770
Income taxes paid		(444)	(403)
Net cash generated from operating activities – continuing operations		2,873	1,366
Net cash generated from operating activities – discontinued operations		320	120
Net cash generated from operating activities		3,192	1,486
Investing activities:			
Purchase of trademarks and other intangible assets		(173)	(64)
Proceeds from sale of trademarks and other intangible assets		1	4
Purchase of property, plant and equipment		(494)	(368)
Proceeds from sale of property, plant and equipment		1	16
Proceeds from sale of a disposal group		12	1
Proceeds from disposal of discontinued operations		177	41
Proceeds from sale of short-term financial assets		0	289
Proceeds from/ (Purchase of) investments and other long-term assets		49	(49)
Interest received		13	25
Net cash used in investing activities – continuing operations		(415)	(105)
Net cash used in investing activities – discontinued operations		(9)	(11)
Net cash used in investing activities		(424)	(115)
Financing activities:			
Repayment of eurobond	16	(600)	–
Proceeds from issuance of bonds	16	–	1,490
Reverse transaction of buyback of eurobonds	16	–	11
Interest paid		(111)	(151)

ADIDAS AG CONSOLIDATED STATEMENT OF CASH FLOWS (IFRS) € IN MILLIONS

	Note	Year ending Dec. 31, 2021	Year ending Dec. 31, 2020
Repayments of lease liabilities		(572)	(582)
Dividend paid to shareholders of adidas AG	25	(585)	–
Dividend paid to non-controlling interest shareholders		–	(17)
Repurchase of adidas AG shares	25	(1,000)	(257)
Repurchase of adidas AG shares due to share-based payments		(32)	(29)
Proceeds from reissuance of treasury shares due to share-based payments		27	25
(Repayments of)/ Proceeds from short-term borrowings	16	(79)	24
Net cash (used in)/ generated from financing activities – continuing operations		(2,952)	514
Net cash used in financing activities – discontinued operations		(39)	(35)
Net cash (used in)/ generated from financing activities		(2,991)	479
Effect of exchange rates on cash		57	(75)
(Decrease)/Increase in cash and cash equivalents		(165)	1,774
Cash and cash equivalents at beginning of year	04	3,994	2,220
Cash and cash equivalents at end of period	04	3,828	3,994