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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, 2023	Dec. 31, 2022	Change in %
Assets				
Cash and cash equivalents	04	1,431	798	79
Short-term financial assets		34	–	n.a.
Accounts receivable	05	1,906	2,529	(25)
Other current financial assets	06	755	1,014	(26)
Inventories	07	4,525	5,973	(24)
Income tax receivables	34	156	102	52
Other current assets	08	1,003	1,316	(24)
Total current assets		9,809	11,732	(16)
Property, plant, and equipment	09	2,157	2,279	(5)
Right-of-use assets	10	2,247	2,665	(16)
Goodwill	11	1,238	1,260	(2)
Other intangible assets	12	442	429	3
Long-term financial assets	13	301	301	0
Other non-current financial assets	14	418	336	24
Deferred tax assets	34	1,358	1,216	12
Other non-current assets	15	49	76	(35)
Total non-current assets		8,211	8,563	(4)
Total assets		18,020	20,296	(11)

adidas AG Consolidated Statement of Financial Position (IFRS) € in millions

	Note	Dec. 31, 2023	Dec. 31, 2022	Change in %
Liabilities and equity				
Short-term borrowings	16	549	527	4
Accounts payable		2,276	2,908	(22)
Current lease liabilities	19	545	643	(15)
Other current financial liabilities	17	266	424	(37)
Income taxes	34	323	302	7
Other current provisions	18	1,323	1,589	(17)
Current accrued liabilities	20	2,273	2,412	(6)
Other current liabilities	21	488	452	8
Total current liabilities		8,043	9,257	(13)
Long-term borrowings	16	2,430	2,946	(18)
Non-current lease liabilities	19	2,039	2,343	(13)
Other non-current financial liabilities	22	6	44	(86)
Pensions and similar obligations	23	139	118	18
Deferred tax liabilities	34	147	135	9
Other non-current provisions	18	188	88	113
Non-current accrued liabilities	20	–	7	n.a.
Other non-current liabilities	24	103	6	1,492
Total non-current liabilities		5,052	5,688	(11)
Share capital		179	179	0
Reserves		257	466	(45)
Retained earnings		4,145	4,347	(5)
Shareholders' equity	25	4,580	4,991	(8)
Non-controlling interests	27	345	360	(4)
Total equity		4,925	5,351	(8)
Total liabilities and equity		18,020	20,296	(11)

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

Consolidated Income Statement

adidas AG Consolidated Income Statement (IFRS) € in millions

	Note	Year ending Dec. 31, 2023	Year ending Dec. 31, 2022	Change
Net sales	36	21,427	22,511	(4.8%)
Cost of sales		11,244	11,867	(5.3%)
Gross profit		10,184	10,644	(4.3%)
(% of net sales)		47.5%	47.3%	0.2pp
Royalty and commission income		83	112	(26.0%)
Other operating income	29	71	173	(58.8%)
Other operating expenses	09, 12, 30, 31	10,070	10,260	(1.9%)
(% of net sales)		47.0%	45.6%	1.4pp
Marketing and point-of-sale expenses		2,528	2,763	(8.5%)
(% of net sales)		11.8%	12.3%	(0.5pp)
Distribution and selling expenses		5,547	5,601	(1.0%)
(% of net sales)		25.9%	24.9%	1.0pp
General and administration expenses		1,839	1,651	11.4%
(% of net sales)		8.6%	7.3%	1.2pp
Sundry expenses		137	182	(24.8%)
(% of net sales)		0.6%	0.8%	(0.2pp)
Impairment losses (net) on accounts receivable and contract assets		19	63	(70.5%)
Operating profit		268	669	(59.9%)
(% of net sales)		1.3%	3.0%	(1.7pp)
Financial income	32	79	39	102.8%
Financial expenses	32	282	320	(11.9%)
Income before taxes		65	388	(83.1%)
(% of net sales)		0.3%	1.7%	(1.4pp)
Income taxes	34	124	134	(7.4%)
(% of income before taxes)		189.2%	34.5%	154.7pp
Net (loss)/income from continuing operations		(58)	254	n.a.
(% of net sales)		(0.3%)	1.1%	n.a.
Gain from discontinued operations, net of tax	03	44	384	(88.4%)
Net (loss)/income		(14)	638	n.a.
(% of net sales)		(0.1%)	2.8%	n.a.
Net (loss)/income attributable to shareholders		(75)	612	n.a.
(% of net sales)		(0.4%)	2.7%	n.a.
Net income attributable to non-controlling interests		61	26	136.0%
Basic earnings per share from continuing operations (in €)	35	(0.67)	1.25	n.a.
Diluted earnings per share from continuing operations (in €)	35	(0.67)	1.25	n.a.
Basic earnings per share from continuing and discontinued operations (in €)	35	(0.42)	3.34	n.a.
Diluted earnings per share from continuing and discontinued operations (in €)	35	(0.42)	3.34	n.a.

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

Consolidated Statement of Comprehensive Income

adidas AG Consolidated Statement of Comprehensive Income (IFRS) € in millions

	Note	Year ending Dec. 31, 2023	Year ending Dec. 31, 2022
Net (loss)/income		(14)	638
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	(5)	131
Net (loss)/gain on other equity investments (IFRS 9), net of tax	28	(5)	0
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss		(10)	131
Items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met			
Net loss on cash flow hedges and net foreign investment hedges, net of tax	28	(126)	(25)
Net gain/(loss) on cost of hedging reserve – options, net of tax	28	7	(1)
Net gain/(loss) on cost of hedging reserve – forward contracts, net of tax	28	46	(36)
Reclassification of foreign currency translation differences due to disposal of foreign operations		–	(228)
Currency translation differences		(155)	177
Subtotal of items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met		(228)	(113)
Other comprehensive income		(238)	18
Total comprehensive income		(252)	656
Attributable to shareholders of adidas AG		(300)	610
Attributable to non-controlling interests		48	47

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 December 31, 2021		192	1,294	(542)	(64)	(8)	(12)	(200)	6,860	7,519	318	7,837
Other comprehensive income		–	–	(70)	(26)	(1)	(36)	131	–	(2)	21	18
Net income		–	–	–	–	–	–	–	612	612	26	638
Total comprehensive income		–	–	(70)	(26)	(1)	(36)	131	612	610	47	656
Repurchase of adidas AG shares	25	(13)	–	–	–	–	–	–	(2,487)	(2,500)	–	(2,500)
Repurchase of adidas AG shares due to equity-settled share-based payment	25	(0)	–	–	–	–	–	–	(22)	(22)	–	(22)
Reissuance of treasury shares due to equity-settled share-based payment	25	0	–	–	–	–	–	–	41	41	–	41
Dividend payment		–	–	–	–	–	–	–	(610)	(610)	(22)	(632)
Equity-settled share-based payment	26	–	32	–	–	–	–	–	(35)	(4)	–	(4)
Acquisition of shares from non-controlling interests shareholders in accordance with IAS 32		–	–	4	–	–	–	(48)	–	(44)	17	(27)
Cancellation of treasury shares		–	12	–	–	–	–	–	(12)	–	–	–
Balance at December 31, 2022/ January 1, 2023		179	1,338	(608)	(90)	(9)	(48)	(116)	4,347	4,991	360	5,351
Other comprehensive income		–	–	(142)	(126)	7	46	(10)	–	(225)	(14)	(238)
Net (loss)/income		–	–	–	–	–	–	–	(75)	(75)	61	(14)
Total comprehensive income		–	–	(142)	(126)	7	46	(10)	(75)	(300)	48	(252)

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
Repurchase of adidas AG shares due to equity-settled share-based payment	25	(0)	–	–	–	–	–	–	(29)	(29)	–	(29)
Reissuance of treasury shares due to equity-settled share-based payment	25	0	–	–	–	–	–	–	29	29	–	29
Dividend payment		–	–	–	–	–	–	–	(125)	(125)	(33)	(158)
Equity-settled share-based payment	26	0	17	–	–	–	–	–	(2)	15	–	15
Other		–	–	–	–	–	–	–	–	–	(29)	(29)
Balance at December 31, 2023		179	1,355	(750)	(217)	(2)	(2)	(126)	4,145	4,580	345	4,925

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

Consolidated Statement of Cash Flows

adidas AG Consolidated Statement of Cash Flows (IFRS) € in millions¹

	Note	Year ending Dec. 31, 2023	Year ending Dec. 31, 2022
Operating activities:			
Income before taxes		65	388
Adjustments for:			
Depreciation, amortization and impairment losses	9, 10, 11, 12, 29	1,212	1,375
Reversals of impairment losses	09, 10, 29	(42)	(4)
Interest income	32	(39)	(23)
Interest expense	32	162	138
Unrealized foreign exchange losses, net		144	86
Losses on sale of property, plant, and equipment and intangible assets, net		20	16
Other non-cash effects from operating activities	29, 30	(8)	(8)
Operating profit before working capital changes		1,514	1,967
Decrease/(Increase) in receivables and other assets		995	(795)
Decrease/(Increase) in inventories		1,297	(1,879)
(Decrease)/Increase in accounts payable and other liabilities		(868)	736
Net cash generated from operations before taxes		2,938	30
Income taxes paid		(307)	(424)
Net cash generated from/(used in) operating activities – continuing operations		2,630	(394)
Net cash used in operating activities – discontinued operations		–	(85)
Net cash generated from/(used in) operating activities		2,630	(479)
Investing activities:			
Purchase of trademarks and other intangible assets		(141)	(191)
Proceeds from sale of trademarks and other intangible assets		1	1
Purchase of property, plant, and equipment		(363)	(504)
Proceeds from sale of property, plant, and equipment		10	1
Proceeds from sale of a disposal group from prior years		–	12
(Reimbursement)/Proceeds from disposal of discontinued operations		(19)	1,165
Purchase of short-term financial assets		(34)	–
Proceeds from/(Purchase of) investments and other long-term assets		57	(13)
Interest received		39	23
Net cash (used in)/generated from investing activities – continuing operations		(450)	495
Net cash used in investing activities – discontinued operations		–	(0)
Net cash (used in)/generated from investing activities		(450)	495

adidas AG Consolidated Statement of Cash Flows (IFRS) € in millions¹

	Note	Year ending Dec. 31, 2023	Year ending Dec. 31, 2022
Financing activities:			
Repayment of eurobond	16	(500)	–
Proceeds from issuance of bonds	16	–	994
Interest paid		(163)	(140)
Repayments of lease liabilities		(603)	(631)
Dividend paid to shareholders of adidas AG	25	(125)	(610)
Dividend paid to non-controlling interest shareholders		(33)	(22)
Acquisition of non-controlling interests		–	(27)
Repurchase of treasury shares	25	–	(2,500)
Repurchase of treasury shares due to share-based payments		(29)	(30)
Proceeds from reissuance of treasury shares due to share-based payments		25	25
Proceeds/Repayments of short-term borrowings	16	3	(18)
Net cash used in financing activities – continuing operations		(1,425)	(2,957)
Net cash used in financing activities – discontinued operations		–	(6)
Net cash used in financing activities		(1,425)	(2,963)
IAS 29 Hyperinflation effects in operating, investing and financing cashflows	37	(82)	(64)
Sum of cashflows		673	(3,011)
Effect of exchange rates on cash		(40)	(39)
Increase/(Decrease) in cash and cash equivalents		633	(3,051)
Cash and cash equivalents at beginning of year	04	798	3,849
Effect indexing cash and cash equivalents	37	(0)	20
Cash and cash equivalents at beginning of year acc. Balance sheet		798	3,828
Cash and cash equivalents at end of period	04	1,431	798

¹ Prior year adjusted due to Hyperinflation accounting.
The accompanying Notes are an integral part of these consolidated financial statements.