CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

	Note	Dec. 31, 2020	Dec. 31, 2019	Change in %
Assets				
Cash and cash equivalents	05	3,994	2,220	80
Short-term financial assets	06	0	292	(100)
Accounts receivable	07	1,952	2,625	(26)
Other current financial assets	08	702	544	29
Inventories	09	4,397	4,085	8
Income tax receivables	36	109	94	17
Other current assets	10	999	1,076	(7)
Assets classified as held for sale		0	–	n.a.
Total current assets		**12,154**	**10,934**	**11**
Property, plant and equipment	11	2,157	2,380	(9)
Right-of-use assets	12	2,430	2,931	(17)
Goodwill	13	1,208	1,257	(4)
Trademarks	14	750	859	(13)
Other intangible assets	14	252	305	(18)
Long-term financial assets	15	353	367	(4)
Other non-current financial assets	16	414	450	(8)
Deferred tax assets	36	1,233	1,093	13
Other non-current assets	17	103	103	(1)
Total non-current assets		**8,899**	**9,746**	**(9)**
Total assets		**21,053**	**20,680**	**2**

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

	Note	Dec. 31, 2020	Dec. 31, 2019	Change in %
Liabilities and equity				
Short-term borrowings	18	686	43	1,483
Accounts payable		2,390	2,703	(12)
Current lease liabilities	21	563	733	(23)
Other current financial liabilities	19	446	235	90
Income taxes	36	562	618	(9)
Other current provisions	20	1,609	1,446	11
Current accrued liabilities	22	2,172	2,437	(11)
Other current liabilities	23	398	538	(26)
Total current liabilities		**8,827**	**8,754**	**1**
Long-term borrowings	18	2,482	1,595	56
Non-current lease liabilities	21	2,159	2,399	(10)
Other non-current financial liabilities	24	115	92	24
Pensions and similar obligations	25	284	229	24
Deferred tax liabilities	36	241	280	(14)
Other non-current provisions	20	229	257	(11)
Non-current accrued liabilities	22	8	9	(9)
Other non-current liabilities	26	17	7	156
Total non-current liabilities		**5,535**	**4,868**	**14**
Share capital		195	196	(0)
Reserves		(474)	45	n.a.
Retained earnings		6,733	6,555	3
Shareholders' equity	**27**	**6,454**	**6,796**	**(5)**
Non-controlling interests	29	237	261	(9)
Total equity		**6,691**	**7,058**	**(5)**
Total liabilities and equity		**21,053**	**20,680**	**2**

CONSOLIDATED INCOME STATEMENT

adidas AG Consolidated Income Statement (IFRS) € in millions

	Note	Year ending Dec. 31, 2020	Year ending Dec. 31, 2019	Change
Net sales	38	19,844	23,640	(16.1%)
Cost of sales		9,990	11,347	(12.0%)
Gross profit		**9,855**	**12,293**	**(19.8%)**
(% of net sales)		49.7%	52.0%	(2.3pp)
Royalty and commission income		83	154	(46.2%)
Other operating income	31	42	56	(24.5%)
Other operating expenses	11, 14, 32, 33	9,229	9,843	(6.2%)
(% of net sales)		46.5%	41.6%	4.9pp
Marketing and point-of-sale expenses		2,573	3,042	(15.4%)
(% of net sales)		13.0%	12.9%	0.1pp
Distribution and selling expenses		4,962	4,997	(0.7%)
(% of net sales)		25.0%	21.1%	3.9pp
General and administration expenses		1,461	1,652	(11.6%)
(% of net sales)		7.4%	7.0%	0.4pp
Sundry expenses		119	134	(11.6%)
(% of net sales)		0.6%	0.6%	0.0pp
Impairment losses (net) on accounts receivable and contract assets		114	18	541.8%
Operating profit		**751**	**2,660**	**(71.8%)**
(% of net sales)		3.8%	11.3%	(7.5pp)
Financial income	34	29	64	(55.2%)
Financial expenses	34	204	166	23.2%
Income before taxes		**575**	**2,558**	**(77.5%)**
(% of net sales)		2.9%	10.8%	(7.9pp)
Income taxes	36	146	640	(77.2%)
(% of income before taxes)		25.4%	25.0%	0.3pp
Net income from continuing operations		**429**	**1,918**	**(77.6%)**
(% of net sales)		2.2%	8.1%	(6.0pp)
Gain from discontinued operations, net of tax	03	13	59	(77.5%)
Net income		**443**	**1,977**	**(77.6%)**
(% of net sales)		2.2%	8.4%	(6.1pp)
Net income attributable to shareholders		**432**	**1,976**	**(78.1%)**
(% of net sales)		2.2%	8.4%	(6.2pp)
Net income attributable to non-controlling interests		**11**	**2**	**540.9%**
Basic earnings per share from continuing operations (in €)	37	**2.15**	**9.70**	**(77.9%)**
Diluted earnings per share from continuing operations (in €)	37	**2.15**	**9.70**	**(77.9%)**
Basic earnings per share from continuing and discontinued operations (in €)	37	**2.21**	**10.00**	**(77.8%)**
Diluted earnings per share from continuing and discontinued operations (in €)	37	**2.21**	**10.00**	**(77.8%)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	Note	Year ending Dec. 31, 2020	Year ending Dec. 31, 2019
Net income after taxes		**443**	**1,977**
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]	25	(15)	(50)
Net (loss) / gain on other equity investments (IFRS 9), net of tax	30	(2)	12
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss		**(17)**	**(38)**
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	30	(100)	(148)
Net gain / (loss) on cost of hedging reserve – options, net of tax	30	7	(7)
Net (loss) / gain on cost of hedging reserve – forward contracts, net of tax	30	(30)	11
Reclassification of foreign currency differences due to dissolution of subsidiaries		–	0
Currency translation differences		(401)	98
Subtotal of items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met		**(524)**	**(46)**
Other comprehensive income		**(540)**	**(84)**
Total comprehensive income		**(97)**	**1,894**
Attributable to shareholders of adidas AG		(87)	1,898
Attributable to non-controlling interests		(10)	(4)

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, 2019		**199**	**887**	**(574)**	**(3)**	**(3)**	**(5)**	**(180)**	**6,054**	**6,377**	**(13)**	**6,364**
Other comprehensive income				104	(147)	(7)	11	(38)		(78)	(6)	(84)
Net income									1,976	1,976	2	1,977
Total comprehensive income				**104**	**(147)**	**(7)**	**11**	**(38)**	**1,976**	**1,898**	**(4)**	**1,894**
Repurchase of adidas AG shares	27	(3)							(806)	(809)		(809)
Repurchase of adidas AG shares due to equity-settled share-based payment	27	(0)							(28)	(28)		(28)
Reissuance of treasury shares due to equity-settled share-based payment	27	0							32	32		32
Dividend payment									(664)	(664)	(2)	(666)
Equity-settled share-based payment	28								(10)	(10)		(10)
First-time consolidation due to obtaining control in accordance with IFRS 10	04										280	280
Balance at December 31, 2019 / 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	27	(1)							(263)	(264)		(264)
Repurchase of adidas AG shares due to equity-settled share-based payment	27	(0)							(29)	(29)		(29)
Reissuance of treasury shares due to equity-settled share-based payment	27	0							36	36		36
Dividend payment											(17)	(17)
Equity-settled share-based payment	28								2	2		2
First-time consolidation due to obtaining control in accordance with IFRS 10	04										3	3
Balance at December 31, 2020		**195**	**887**	**(850)**	**(250)**	**(3)**	**(23)**	**(235)**	**6,733**	**6,454**	**237**	**6,691**

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 millions

	Note	Year ending Dec. 31, 2020	Year ending Dec. 31, 2019
Operating activities:			
Income before taxes		575	2,558
Adjustments for:			
Depreciation, amortization and impairment losses	11, 12, 13, 14, 32, 34	1,370	1,214
Reversals of impairment losses	31	(6)	(8)
Interest income	34	(25)	(50)
Interest expense	34	164	160
Unrealised foreign exchange losses/(gains), net		35	(1)
Losses on sale of property, plant and equipment and intangible assets, net		28	11
Other non-cash effects from operating activities	31, 32	2	(12)
Payment for external funding of pension obligations (CTA)		–	(105)
Operating profit before working capital changes		**2,144**	**3,767**
Decrease/(Increase) in receivables and other assets		394	(694)
Increase in inventories		(503)	(505)
(Decrease)/Increase in accounts payable and other liabilities		(141)	951
Cash generated from operations before taxes		**1,893**	**3,519**
Income taxes paid		(404)	(692)
Net cash generated from operating activities – continuing operations		**1,489**	**2,828**
Net cash used in operating activities – discontinued operations		(3)	(9)
Net cash generated from operating activities		**1,486**	**2,819**
Investing activities:			
Purchase of trademarks and other intangible assets		(64)	(110)
Proceeds from sale of trademarks and other intangible assets		4	0
Purchase of property, plant and equipment		(379)	(598)
Proceeds from sale of property, plant and equipment		17	13
Proceeds from sale of a disposal group	03	1	8
Proceeds due to business combinations	04	–	54
Proceeds from disposal of discontinued operations		41	20
Proceeds from/ (Purchase of) sale of short-term financial assets		289	(284)
Purchase of investments and other long-term assets		(49)	(80)
Interest received		25	50
Net cash used in investing activities – continuing operations		**(115)**	**(925)**
Net cash generated from investing activities – discontinued operations		–	–
Net cash used in investing activities		**(115)**	**(925)**
Financing activities:			

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

	Note	Year ending Dec. 31, 2020	Year ending Dec. 31, 2019
Proceeds from issuance of bonds	18	1,490	–
Reverse transaction of buyback of Eurobonds	18	11	–
Interest paid		(157)	(156)
Repayments of lease liabilities		(611)	(597)
Dividend paid to shareholders of adidas AG	27	–	(664)
Dividend paid to non-controlling interest shareholders		(17)	(2)
Repurchase of adidas AG shares	27	(257)	(809)
Repurchase of adidas AG shares due to share-based payments		(29)	(28)
Proceeds from reissuance of treasury shares due to share-based payments		25	24
Proceeds from short-term borrowings	18	543	–
Repayments of short-term borrowings	18	(519)	(42)
Net cash generated from/(used in) financing activities – continuing operations		**479**	**(2,273)**
Net cash generated from financing activities – discontinued operations		–	–
Net cash generated from/(used in) financing activities		**479**	**(2,273)**
Effect of exchange rates on cash		**(75)**	**(30)**
Increase /(Decrease) in cash and cash equivalents		1,774	(410)
Cash and cash equivalents at beginning of year	05	2,220	2,629
Cash and cash equivalents at end of period	**05**	**3,994**	**2,220**