



## GROUP MANAGEMENT REPORT OUR COMPANY

|                                      |            |
|--------------------------------------|------------|
| <b>Roadmap to Success</b>            | <b>053</b> |
| <b>Description of Business Model</b> | <b>055</b> |
| <b>Business Model Overview</b>       | <b>055</b> |
| <b>Product and Marketing</b>         | <b>056</b> |
| <b>Markets and Sales Channels</b>    | <b>064</b> |
| <b>Sourcing and Supply Chain</b>     | <b>067</b> |
| <b>People and Culture</b>            | <b>070</b> |

## Roadmap to Success

**2025 was another successful year for adidas. The brand's growth broadened significantly across product divisions, categories, markets, and channels, and the company's profitability continued to improve strongly. Not only did we deliver results that exceeded our initial expectations despite a challenging external backdrop, we also made adidas a better company during 2025: We have continued to drive brand heat with an even stronger emphasis on locally relevant products and activations, further improved our product range and market-led go-to-market approach, strengthened partnerships with both our retail and brand partners, and simplified the way we work. With this, we laid the foundation for continued success in the years ahead.**

We have continued to strengthen our brand and our business in several ways:

- **Global brand with a local mindset:** We need to be where our consumers are. With more local trends emerging, the need for local relevance continues to increase. Instead of a centrally defined one-size-fits-all approach, we have empowered our markets to create the product, storytelling, partnerships, and distribution they need to be successful. By providing our markets with decision-making autonomy, we can meet the expectations of our customers and the needs of our consumers around the world.
- **Speed and agility:** Fast-changing trends and consumer demands require flexibility and agility. We have empowered our market teams to accelerate decision-making and have begun to eliminate complicated processes to react quickly. We will continue to prioritize speed and agility to respond faster to the needs of our consumers and the feedback from our retail partners.
- **Healthy balance between channels:** We have transitioned from a narrow focus on our direct-to-consumer business to a service-oriented model toward our retail partners. By listening closely to their bottom-up feedback from the various markets and acting on it in a locally relevant way, we have proven our desire to be a trusted partner for them. And while wholesale is crucial for our future success, we continue to invest in our own retail and e-commerce presence, which is also tailored to specific market needs. It is all about maintaining a healthy balance between our channels to win with the consumer.
- **Brand heat:** We are proud to produce groundbreaking innovation in sports and some of the most sought-after product in Lifestyle, amplified by brand heat – and vice versa. Brand heat is the sum of everything we do. It comprises athletes, teams, celebrities, street culture, and more. With this in mind, we have entered and extended partnerships with some of the greatest teams and athletes in global sports like football, running, training, and basketball. At the same time, we have also welcomed countless local partners to our brand who are pushing boundaries in smaller sports, including winter sports, track and field, rugby, and tennis. And while we are equally proud of our cultural partnerships, we will remain deeply rooted in sport.
- **Brand message on the joy of sport:** To complement our strong product offering and drive brand heat holistically, we have created a new brand narrative – 'You Got This.' By putting the joy of sport and its power as a great unifier at the center, we want to counteract an atmosphere of pressure and stress, especially for our younger consumers. We will continue to activate this message globally – amplifying it through major sports events such as the upcoming FIFA World Cup 2026, together with many of our brand partners – and continue to evolve the narrative.

|                        |  |   |   |                                      |                           |
|------------------------|--|---|---|--------------------------------------|---------------------------|
| 1                      | 2  | 3   | 4   | 5                                    | 6                         |
| TO OUR<br>SHAREHOLDERS | GROUP MANAGEMENT REPORT -<br>OUR COMPANY | GROUP MANAGEMENT REPORT -<br>FINANCIAL REVIEW | GROUP MANAGEMENT REPORT -<br>SUSTAINABILITY STATEMENT | CONSOLIDATED<br>FINANCIAL STATEMENTS | ADDITIONAL<br>INFORMATION |

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In addition, we have five foundational pillars that guide us:

- **People:** We believe that our people are the key to the company's success. We focus on creating a culture that strengthens their performance, well-being, and personal development. This will have a significant impact on brand heat, consumer and customer satisfaction, and, ultimately, our results.
- **Product:** Product is key. We innovate in materials, designs, and technologies to constantly bring exciting new products to the market. This allows us to be relevant to consumers across our markets, both in Performance and Lifestyle, and to keep growing our deep archive of sportswear icons.
- **Consumers:** Our consumers are at the heart of everything we do. We focus on what matters to them, creating the product they want, offering the service they expect, and providing the experience they need.
- **Retail partners:** We need to be the best service partner for retailers. Multi-branded environments reach consumers at scale, and we can leverage our strong product pipeline through broad distribution.
- **Athletes:** Whether the crowd watching is large or small, we are here for all athletes. For more than 75 years, we have been innovating for sports and striving to create only the best for the athlete. This is in our DNA and has shaped our rich heritage. It is where we come from and where we need to be.

# Description of Business Model

## Business Model Overview

Building on our purpose ‘Through sport, we have the power to change lives,’ the overview below outlines the major input and output factors as well as the outcomes of our business activities.<sup>12</sup>

► [REPORT.ADIDAS-GROUP.COM](https://report.adidas-group.com)



<sup>12</sup> The infographic and the following sections (Product and Marketing, Markets and Sales Channels, Sourcing and Supply Chain, and People and Culture) contain disclosures pursuant to ESRS 2, paragraphs 42a, 42b, 42c, and 48f.

## Product and Marketing

**Under the adidas brand, we have been designing, engineering, and marketing world-class sports products for more than 75 years. Through developing innovative products and telling inspiring stories across our markets, we create only the best for the athlete. By doing so, we continue to build brand equity as well as the trust of our consumers and partners, which in turn enables us to capitalize on attractive structural growth opportunities in the sporting goods industry.**

### The adidas brand

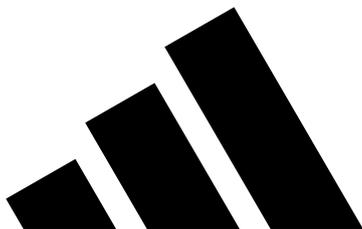
The adidas brand has a long history and deep-rooted connection with sport. We believe that through sport, we have the power to change lives. This is our purpose, and we live it every day by expanding the limits of human possibilities. To remain one of the most recognized and iconic brands in the world, on and off the field of play, we need to drive and maintain our credibility in sport. For us, the adidas brand, this means launching groundbreaking innovations to continuously deliver the best for the athlete, while also enabling a culture that is born from it. Being committed to inclusivity, we ensure that all athletes and consumers are considered and supported by our product assortment.

▶ SEE ESRS S4 – CONSUMERS AND END USERS

### adidas is all about sports and the culture born from it

Product is at the core of everything we do. Our Performance products are built from sport and worn for sport, helping our athletes to perform at their best in a broad range of sports, represented by our famous 3-Bar logo. We serve all athletes, in the global sports football, running, basketball, and training, as well as in many locally relevant credibility sports, including golf, motorsport, tennis, trail running, winter sports, rugby, and cricket, among many others. On the Lifestyle side, adidas Originals is motivated by the collective memory of sports and represents brand classics as well as new visionary designs. The Trefoil – adidas Originals' iconic signifier – represents products that connect with culture, leveraging our archive and celebrating our partnerships. In addition, Sportswear is built as an expansion from the playing field to courtside. It is born from sport and worn for style. Sportswear offers our consumers everyday products that redefine comfort, versatility, and aesthetics.

3-BAR LOGO



TREFOIL



|                        |  |   |   |                                      |                           |
|------------------------|--|---|---|--------------------------------------|---------------------------|
| 1                      | 2  | 3   | 4   | 5                                    | 6                         |
| TO OUR<br>SHAREHOLDERS | GROUP MANAGEMENT REPORT -<br>OUR COMPANY | GROUP MANAGEMENT REPORT -<br>FINANCIAL REVIEW | GROUP MANAGEMENT REPORT -<br>SUSTAINABILITY STATEMENT | CONSOLIDATED<br>FINANCIAL STATEMENTS | ADDITIONAL<br>INFORMATION |

With a more than 75-year history of groundbreaking innovation in sports, we have built an enormously rich archive – the collective memory of our brand. Some memorable moments include:

- **1949:** ‘Adolf Dassler adidas Sportschuhfabrik’ is registered in the small town of Herzogenaurach, Germany, and founder Adi Dassler launches a sports shoe featuring the soon-to-become-famous 3-Stripes, marking the humble beginnings of a global success story.
- **1954:** adidas makes its mark on the football pitch, with innovative screw-in studs on lightweight football boots helping the German national football team beat Hungary in the 1954 World Cup final.
- **1967:** The iconic Franz Beckenbauer tracksuit celebrates its debut as the first piece of apparel from the brand. To this day, iterations of our tracksuits resonate with consumers around the globe.
- **1970:** After unlocking footwear and apparel, we deliver the Telstar as our first official match ball for the 1970 FIFA World Cup in Mexico. This marks the beginning of a successful strategic partnership, with the brand providing innovative official match balls for every FIFA World Cup ever since.
- **1972:** To enhance brand visibility, a new logo featuring three leaf-shaped foils is introduced: the Trefoil. In the same year, the Samba, as we know it today, launches as a fast-paced and agile football shoe, before later turning into a lifestyle icon.
- **1973:** A tennis shoe developed in the 1960s is rebranded in honor of one of the biggest sports stars of the time: Stan Smith. The silhouette is synonymous with timeless style and has become an everyday staple of modern footwear.
- **1986:** Initially designed for basketball, US-based hip-hop group Run-D.M.C. turn the Superstar shoe into a streetwear icon with the release of the song ‘My Adidas.’
- **1994:** Marking the next chapter in our rich football history, the Predator boot is born. While the rippled rubber fins remain a distinctive feature, continued iterations ensure the franchise remains a go-to for the world’s top players and amateurs alike.
- **2001:** adidas becomes the pioneer in the industry to introduce a new lifestyle segment, focusing on sports-inspired streetwear. In the years to come, new partnerships with Yohji Yamamoto (2001), Stella McCartney (2002), and Pharrell Williams (2014) are born along with exciting labels, such as Y-3 (2003).
- **2013:** Boost hits the market and the running industry is changed forever. With the Ultraboost franchise launch in 2015, the responsive cushioning technology is brought into an elegant silhouette, dissolving the boundaries between performance and lifestyle running.
- **2019:** Leveraging years of comprehensive research, we introduce a new sustainability concept called Futurecraft.Loop, a completely recyclable performance shoe. This marks another critical milestone in our ambition to continuously push industry-wide boundaries in terms of sustainability.
- **2022:** In collaboration with Gucci, we build on the incredible legacy of the Gazelle since 1966, resulting in one of our most sought-after releases. Featuring premium materials and a kaleidoscope of colors, and merging the iconic Trefoil and Gucci emblems, these ‘Made in Italy’ Gazelles firmly reestablish the silhouette around the world and kick off the global Terrace trend.
- **2023:** Continuing to provide only the best for the athlete, we unveil the Adizero Adios Pro Evo 1, our lightest-ever running shoe. Weighing in at 138 grams, the shoe is 40% lighter than any other shoe adidas has ever created and enables our athletes to set new personal bests and break multiple records.
- **2025:** adidas extends the Adizero legacy with the Adizero Prime X Evo, a concept shoe redefining long-distance running performance. Setting a new benchmark, the shoe helped our athlete, Sibusiso Kubheka, break the six-hour barrier for 100 kilometers during the Chasing 100 project in Nardò, Italy.

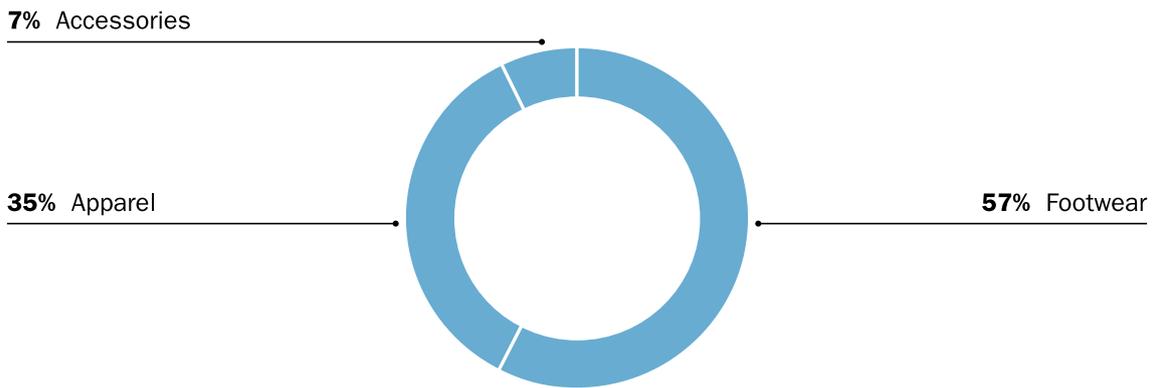
## Product franchises as lighthouses for our brand

Within our wide and deep product range, product franchises are our most iconic symbols of sport and culture as well as the lighthouses of our brand. In Performance, globally recognized footwear franchises include Predator and F50 in Football, Adizero and Supernova in Running, Dropset in Training, Agravic and Free Hiker in Outdoor, Barricade in Tennis, and AE in Basketball. In the Lifestyle category, they include perennial footwear icons such as Samba, Gazelle, Handball Spezial, Superstar, Adistar, and Stan Smith.

Footwear is key to winning consumer mindshare. With our rich archive, access to fundamental athlete insights, and technological innovation, we have been pushing and continue to push boundaries in the athletic footwear industry. This is reflected in our category mix: In 2025, footwear had the highest share of net sales by product category at 57% (2024: 59%), followed by apparel at 35% (2024: 34%), and accessories at 7% (2024: 8%).

▶ SEE NOTE 36

### Net sales share by product division



We leverage the footwear-led brand heat and expand it into our apparel and accessories business. On the apparel side, we aim to build and grow differentiated apparel collections such as the Firebird, Z.N.E., and adicolor ranges. In apparel, too, our franchises represent the very best of adidas, influencing not only sports, but also the culture born from it. Through uncompromised functionality, designs, colors, materials, and unique stories, they have the potential to be iterated over time to preserve desirability.

While our global product franchises serve as lighthouses for the adidas brand, we strive for additions and adaptations that reflect local consumer preferences across our markets. This approach ensures that iconic franchises remain central to our identity while enabling locally relevant product assortments.

## Global brand with locally relevant product range

Brand desirability might look and feel different in different parts of the world. As a global brand with a local mindset, we therefore ensure that our product is tailored to local tastes and trends. While product franchises and our seasonal spring/summer and fall/winter ranges are developed on a global basis, we empower our markets to adapt the assortment and go-to-market to their local needs. Through dedicated local design, development, sourcing, and marketing resources, we enable our market teams to cater to the consumers in their respective market.

|                        |  |   |   |                                      |                           |
|------------------------|--|---|---|--------------------------------------|---------------------------|
| 1                      | 2  | 3   | 4   | 5                                    | 6                         |
| TO OUR<br>SHAREHOLDERS | GROUP MANAGEMENT REPORT -<br>OUR COMPANY | GROUP MANAGEMENT REPORT -<br>FINANCIAL REVIEW | GROUP MANAGEMENT REPORT -<br>SUSTAINABILITY STATEMENT | CONSOLIDATED<br>FINANCIAL STATEMENTS | ADDITIONAL<br>INFORMATION |

Besides the global creation engine at our headquarters in Herzogenaurach, we have invested in creation capabilities in Portland and Los Angeles for North America, in Shanghai for Greater China, and in Tokyo for Japan, among others. This setup enables us to leverage our archive and the strength of a global brand, while ensuring relevance for a broad array of local consumer preferences. In addition, we run 'creation at source' throughout our two largest sourcing countries, Vietnam and Indonesia.

► SEE MARKETS AND SALES CHANNELS

## Product innovation and success stories

We have a long heritage of innovation and constantly strive to provide athletes with the best by creating high-performance and competitive products. Technology platforms such as Boost, Lightstrike, and Clima are proof points of our broader approach to innovation and act as enablers to define new successful athlete stories through best-in-class product execution. We collaborate with athletes and consumers, universities, innovative companies, governments, and research organizations to further understand performance requirements. Based on these insights, we invest in manufacturing techniques and new technologies with the aim of addressing the challenges athletes experience.

In the past year, we continued to serve all athletes with innovative technologies, materials, and more sustainable concepts built into our Performance products:

- **Adizero Adios Pro Evo 2:** In high-end performance running, we introduced the Adizero Adios Pro Evo 2, the shoe that won the Berlin, London, and New York marathons. Preserving the ultra-lightweight construction of the record-breaking Pro Evo 1 at just 138 grams, the Pro Evo 2 enhances energy return and traction to further elevate elite marathon performance.
- **Adizero Evo SL:** The Evo SL offers technological innovation and design elements from the Adizero Adios Pro Evo at the more affordable price point of € 150. With its clean look in addition to its performance credentials, the Evo SL was highlighted as 'shoe of the year' by several running publications. Throughout the year, additional colorways and packs – such as the US college collection – were launched in response to strong demand in the marketplace.
- **Supernova Rise 3:** The Supernova Rise 3 elevates the daily running experience. Reengineered with an optimized blend of soft and stable cushioning, it delivers a smoother ride and continues the franchise's comfort-driven proposition.
- **F50 Sparkfusion:** Built on the legacy of the iconic speed-focused F50 franchise, the F50 Sparkfusion delivers a fit engineered for the unique performance needs of female football players. Informed by years of anatomical research and athlete feedback, it sets a new benchmark for speed, precision, and agility.
- **Predator:** Many of football's greatest players trust the Predator, a boot crafted for goals. The latest iteration continues this success story, combining a lighter, more agile design with improved fit, stability, and striking precision – delivering powerful performance for the modern game.
- **FIFA World Cup 2026 Jerseys:** Each kit combines modern performance with timeless tradition, expressing national identity and honoring football's heritage. As the official supplier for more than 20 federations, adidas continues its legacy as a premier outfitter at the sport's most prestigious tournaments.
- **Third Jerseys:** Building on last year's successful reintroduction of Trefoil jerseys for our five major European clubs – Bayern Munich, Manchester United, Juventus Turin, Arsenal FC, and Real Madrid – we expanded the concept to a broader range of our clubs. These jerseys bring authentic club designs into streetwear and bridge into holistic football-inspired lifestyle collections, addressing a larger audience among fans.
- **Liverpool FC:** The launch of the adidas designed home and away jerseys marked the most successful kit introduction in the club's history. Since then, the collection has been expanded to include bespoke merchandise, such as Liverpool track tops and dresses, developed with strong involvement from the club and its fans.

|                        |  |   |   |                                      |                           |
|------------------------|--|---|---|--------------------------------------|---------------------------|
| 1                      | 2  | 3   | 4   | 5                                    | 6                         |
| TO OUR<br>SHAREHOLDERS | GROUP MANAGEMENT REPORT -<br>OUR COMPANY | GROUP MANAGEMENT REPORT -<br>FINANCIAL REVIEW | GROUP MANAGEMENT REPORT -<br>SUSTAINABILITY STATEMENT | CONSOLIDATED<br>FINANCIAL STATEMENTS | ADDITIONAL<br>INFORMATION |

- **AE2:** Designed for explosive players and building on AE1's momentum, the AE2 is driving strong engagement within the basketball segment and reinforcing our broader signature shoe roster, including the Harden, D.O.N., and Dame lines, as well as our overall Basketball offering.
- **Optime:** Our Optime leggings blend support, style, and freedom of movement. Engineered with advanced material constructs, the squat-proof leggings continue to offer all-day confidence and comfort inside and outside the gym.
- **Climacool Jacket:** Created to tackle one of motorsport's biggest challenges – keeping drivers cool before racing in extreme heat. The jacket combines a cooling agent, integrated fans, and insulative materials, delivering an increased cooling effect and helping improve focus and endurance.
- **Agravic Speed Ultra 2:** A shoe built for ultra-distance trail racing. With enhanced cushioning, comfort, and energy return, it keeps runners efficient and stable across the toughest terrain. Its clean design and 3-Stripe branding reflect adidas' running performance DNA, well-known from the Adizero running range.
- **Barricade:** With Barricade having over 25 years of presence on the court, the latest model incorporates updated materials and design features for modern tennis. It provides reliable traction and combines lightweight construction with stability to support speed and agility during play.

We also continued to create sports-inspired product stories that resonate with consumers in Lifestyle, leveraging our rich archive and roster of brand partners:

- **Adistar Jellyfish:** Winner of the 'Shoe of the Year' Footwear News Achievement Awards 2025, this sought-after collaboration with Pharrell Williams quickly became one of the most talked-about launches in lifestyle running. The special edition and its commercial version, the Adistar XLG Squid, resonate strongly with consumers.
- **Adistar Control 5:** Reviving an early 2000s running silhouette with open mesh, the Adistar Control 5 is designed for all-day comfort. Positioned as part of adidas' lifestyle running range, it combines a heritage-inspired design with functional features for everyday versatility.
- **Superstar:** We relaunched one of our most iconic shoes with new colorways, materials, and collaborations, including Edison Chen and Wales Bonner. Led by North America and Greater China, dedicated Superstar iterations are resonating well with a young, urban consumer group, strengthening the connection to local street culture.
- **Chinese Track Top:** This sought-after jacket, originally launched for the Chinese New Year 2026, demonstrates how localized innovation within a global framework is key to success. Combining traditional elements, such as a stand collar and duffle-style button closures, with signature elements of adidas' tracksuits, the jacket showcases the success of our local-for-local creation in Greater China.
- **adidas x Oasis:** adidas partnered with Oasis for their reunion tour, drawing inspiration from archival adidas pieces and the band's distinctive style. The collection combines design elements from the 1990s and early 2000s with contemporary streetwear influences. Generating exceptional visibility and consumer engagement, the launch also marked an impactful moment of brand presence around the tour.
- **Terrace:** We continued to drive newness and depth in our Terrace offering, consisting of Samba, Gazelle, and Handball Spezial. Striking new colorways and bold designs – such as animal prints and metallic finishes – keep the shoe family relevant as we carefully manage supply. Takedown versions of these iconic silhouettes, such as the VL Court, also strongly resonate with consumers.
- **Low Profile:** With established credentials in martial arts, boxing, and motorsports, Low Profile franchises, such as Taekwondo, Tokyo, and Japan, continued to expand. Collaborations with Edison Chen, Wales Bonner, and Bad Bunny on special editions, such as ballerina-inspired designs, highlight the range's versatility.
- **F50 Megaride:** Merging the technical precision of the F50 with the design influence of the Megaride, this silhouette combines football heritage with contemporary style. As part of adidas' lifestyle football offering, it reflects the growing influence of football culture in everyday footwear.

|                        |  |   |   |                                      |                           |
|------------------------|--|---|---|--------------------------------------|---------------------------|
| 1                      | 2  | 3   | 4   | 5                                    | 6                         |
| TO OUR<br>SHAREHOLDERS | GROUP MANAGEMENT REPORT -<br>OUR COMPANY | GROUP MANAGEMENT REPORT -<br>FINANCIAL REVIEW | GROUP MANAGEMENT REPORT -<br>SUSTAINABILITY STATEMENT | CONSOLIDATED<br>FINANCIAL STATEMENTS | ADDITIONAL<br>INFORMATION |

- **Teamgeist:** Originally introduced during the 2006 FIFA World Cup, the Teamgeist returned as a lifestyle apparel collection. By combining heritage design details with updated fits, it underscores football's growing influence in fashion and everyday culture beyond the pitch.
- **Climacool Laced Shoe:** By pushing the boundaries of design innovation, the Climacool shoe defies conventional norms with a unique lattice structure and is entirely 3D-printed using cutting-edge technology. The 360° airflow makes the shoe feel as if it is almost non-existent, a testament to our journey of innovation, design, and comfort toward creating the best lifestyle running product for our consumers.

## Holistic approach to marketing investments

Our marketing activities – alongside product creation, innovation, and collaborations – are an important constituent for creating brand desirability and winning the consumer. adidas is focused on generating inspirational and innovative concepts that drive consumer advocacy, build brand equity, and drive demand for our products. With partner and brand marketing activities extending through digital platforms, advertising, point-of-sale, and grassroots activations, we create one powerful narrative. The ambition is to have a fully connected marketing funnel, from grabbing consumer attention to driving consideration when consumers are in the buying phase, down to conversion at the point of sale.

► SEE ESRS S4 – CONSUMERS AND END USERS

We are active across five dimensions with bespoke marketing objectives:

- **Brand campaigns:** create visibility and unaided awareness, and establish a brand point of view
- **Elevated franchises:** drive global desire and demand for our product franchises
- **Category activation:** strengthen sport and cultural credibility by sharpening category propositions
- **Horizontal brand stories:** ensure visibility and engagement for brand priorities across categories
- **Commercial conversion:** drive conversion at the point of sale, both in-store and online

## Marketing plans anchored in our 'You Got This' brand campaign

From building brand awareness and brand heat all the way down to deliberate point-of-sale experiences, our brand marketing plans showcase a variety of activations at all levels of the marketing funnel, with our global brand campaign 'You Got This' being at the very center of it. You Got This was born from consumer insights. In conversations with our consumers, we repeatedly heard that pressure makes everything feel impossible and that sport stops being fun when negative pressure comes from all angles. The most vocalized point was the disconnect - from sport due to the expectations of others.

In response, we crafted and adopted You Got This as our brand message to help people believe they can disarm negative pressure and engage with sport on their terms. Initially launched in 2024, the campaign evolved significantly in 2025, led by the 'Plus One' chapter. This chapter highlights the influence each of us has in uplifting others in sports – changing the game, tone, and outcome for someone else. It's about transforming self-doubt into self-belief and pressure into joy because we all need someone to make us believe. In 2025, the campaign featured Aitana Bonmatí, Alessia Russo, Anthony Edwards, Lamine Yamal, Trinity Rodman, and Aliyah Boston alongside countless other global and local brand partners. The campaign will continue to expand with additional chapters throughout 2026, leveraging major sports events such as the Olympic and Paralympic Winter Games and the FIFA World Cup 2026.

## Impactful and effective marketing initiatives

2025 provided fantastic opportunities to showcase how our athletes harness their inner self-belief and confidence to overcome pressure during high-stakes moments in their respective disciplines. Accordingly, we launched several You Got This chapters around major sports events, with stories narrated by our athletes, as a reminder to all – from amateur to elite level – of how integral self-belief is. For us, being a global brand with a local mindset also means telling such stories in a locally relevant way. Our teams therefore created market-specific iterations of our brand campaign chapters and hosted additional events within local communities.

- **Superstar activation:** We reinforced the cultural relevance of the Superstar via several local activations throughout the year. In the US, the Hellstar x Superstar collaboration featured prominently at ComplexCon, the world's most relevant sneaker fair. In the UK, sold-out events featuring live performances drove strong engagement. In China, SuperstarCon, an event that took over an entire street block in Shanghai's city center, strengthened the Superstar's position as a style icon. Globally, the 'Superstar, The Original' campaign celebrated the silhouette's heritage, partnering with Samuel L. Jackson and Missy Elliott.
- **UEFA Women's EURO:** We amplified the success of our teams at the UEFA Women's EURO football tournament through You Got This campaign chapters: Stars including Aitana Bonmatí and Alessia Russo demonstrated that competitiveness and support can co-exist at all levels of the sport. Simultaneously, we drove elevated brand visibility with activations such as our Three Stripe Social Club in Zurich – a curated retail space that served as a meeting point for fans and consumers to connect and experience football culture.
- **Credibility sport events:** Multiple sport events provided platforms to showcase our commitment to locally relevant sports. In rugby, the Black Ferns continued to break barriers and inspire a new generation when they earned a podium spot at the Women's World Cup in England. In cricket, India's women's team claimed the ICC Women's T20 World Cup title for the first time while wearing adidas kits, highlighting our growing presence in one of the world's most followed sports.
- **Road to Records:** The fifth edition of Road to Records at our Herzogenaurach headquarters saw 120 elite athletes deliver standout performances: one world record, two under-20 world records, four continental records, and four national records. Beyond the elite races, 1,500 runners joined a public 5k race. Meanwhile, our adidas Runners community tracked more than 350,000 participants in the virtual race on the adidas Running app.

## Brand partner portfolio rooted in sport

2025 was another fantastic year for sport. Many athletes were able to further improve their outstanding performances and inspire spectators all over the world. For others, it was the year in which they were able to shine on the big stage for the first time. As a sports brand, we are grateful for the trust these athletes place in us, and we will support them unconditionally throughout all stages of their journey.

We constantly strive to further extend our sizable roster of athletes and partners. The latest signings include, the Audi F1 Team, Liverpool FC, Eintracht Frankfurt, Club América, Fenerbahçe Istanbul, Penn State, the University of Tennessee, the German Basketball Federation (DBB), the South African Football Association, Ilona Maher, and Franz and Moritz Wagner, among others. In addition, we were able to extend our partnerships with the Argentine Football Federation, Walt Disney, Major League Soccer, ATHX Events, Patrick Mahomes, Anthony Edwards, Antoine Dupont, Alexander Zverev, David Beckham, Grace Wales Bonner, Edison Chen, and Olivia Dean, among others.

|                        |  |   |   |                                      |                           |
|------------------------|--|---|---|--------------------------------------|---------------------------|
| 1                      | 2  | 3   | 4   | 5                                    | 6                         |
| TO OUR<br>SHAREHOLDERS | GROUP MANAGEMENT REPORT -<br>OUR COMPANY | GROUP MANAGEMENT REPORT -<br>FINANCIAL REVIEW | GROUP MANAGEMENT REPORT -<br>SUSTAINABILITY STATEMENT | CONSOLIDATED<br>FINANCIAL STATEMENTS | ADDITIONAL<br>INFORMATION |

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With this, we will continue to bring our products to the biggest stages in the world through partners such as:

- **Major teams, federations, leagues, and events:** National football teams of Algeria, Argentina, Belgium, Colombia, Costa Rica, Germany, Italy, Jamaica, Japan, Mexico, Peru, Saudi Arabia, South Africa, Spain, and Sweden. Top football clubs, such as Arsenal FC, A.S. Roma, Bayern Munich FC, Juventus Turin, Liverpool FC, Manchester United, and Real Madrid, as well as all the Major League Soccer (MLS) teams. Basketball and US sports: US-American universities such as the University of Kansas, Penn State, the University of Tennessee, Indiana University, and Texas Tech. Running: Ethiopian Athletics Federation (EAF) and French Athletics Federation (FFA), as well as the Berlin marathon and Boston marathon. Other sports: Mercedes-AMG PETRONAS F1 team, Audi F1 team, Indian cricket team, German Olympic Committee (Team D), British Olympic Association (Team GB), Dutch field hockey team, New Zealand All Blacks and Black Ferns, and China's national volleyball team.
- **High-profile athletes and individuals:** Football stars: Aitana Bonmatí, Alessia Russo, Florian Wirtz, Gianluigi Donnarumma, Jude Bellingham, Jule Brand, Kim Little, Lamine Yamal, Linda Caicedo, Lionel Messi, Mo Salah, Nick Woltemade, Ousmane Dembélé, Pedri, Selma Bacha, Son HeungMin, Trent Alexander-Arnold, Trinity Rodman, and Vicky López; Football legends such as Zinedine Zidane, David Beckham, Toni Kroos, and Jürgen Klopp. Track and field athletes: Anna Hall, Emmanuel Wanyonyi, Ethan Katzberg, Gina Lückenkemper, Gout Gout, Grant Holloway, Noah Lyles, Oblique Seville, and Shaunae Miller-Uibo. Marathon runners: Hawi Feysa, Sabastian Sawe, and Tigist Assefa; ultra marathon runner Ruth Croft as well as triathlete Patrick Lange. Basketball stars: Aliyah Boston, Anthony Edwards, Candace Parker, Chelsea Gray, Damian Lillard, Donovan Mitchell, Franz and Moritz Wagner, Jalen Williams, James Harden, Kaleena Smith, Satou Sabally, and Sophie Cunningham. American football players: Patrick Mahomes, Travis Hunter, Garrett Wilson, and Micah Parsons. Rugby players: Ilona Maher, Siya Kolisi, Malcolm Marx, and Antoine Dupont. Tennis players: Alexander Zverev, Elina Svitolina-Monfils, Félix Auger-Aliassime, Ivan Ivanov, Jeline Vandromme, and Jessica Pegula. Alpine skier Mikaela Shiffrin, Alice Robinson, and snowboarder Su Yiming. Golfers: Ludvig Åberg, Linn Grant, Collin Morikawa, Nick Dunlap, and Rose Zhang.
- **Cultural marketing partners:** Oasis, Bad Bunny, Bizarrap, Edison Chen, Grace Wales Bonner, Hellstar, Pharrell Williams, Willy Chavarria, Hyeon Jung, Tate McRae, Pusha T, Caroline Daur, Samuel L. Jackson, and Missy Elliott.

# Markets and Sales Channels

We are a global brand with a local mindset. In addition to operating our sales channels, our market teams are empowered to decide about product assortments, activations, and partnerships, driven by their superior knowledge of the local consumer landscape. The majority of our consumers buy our products at the point of sale of our wholesale partners. We ensure that we are a collaborative and trusted partner for them. Moreover, we engage directly with our consumers through own retail stores and our e-commerce platforms.

## Local empowerment

We empower our markets to choose their offering from our global product range, create product locally to complement our global range, work with relevant brand partners, and establish the business models they need to be successful. By doing so, we ensure proximity to emerging trends, take into account unique cultural differences, and reduce our time to market. While our headquarters organization in Herzogenaurach, Germany, provides the global framework for how our brand comes to life, our market organizations ensure local relevance. In this context, our home market Europe is managed out of Herzogenaurach, North America out of Portland, and Greater China out of Shanghai. We run Emerging Markets from Dubai, Latin America from Panama City, and Japan/South Korea from Tokyo and Seoul. Several of these regional hubs operate creation centers that develop products that are tailored to local consumer needs and complement our global range. These centers include Portland, Los Angeles, Shanghai, and Tokyo, as well as various locations in Latin America and India. In addition, we run ‘creation at source’ throughout our two largest sourcing countries, Vietnam and Indonesia. Here, product developers work on site at our manufacturing partners’ facilities, allowing for an even closer integration between design and production and accelerating speed to market.

▶ SEE PRODUCT AND MARKETING

### Regional headquarters and creation centers



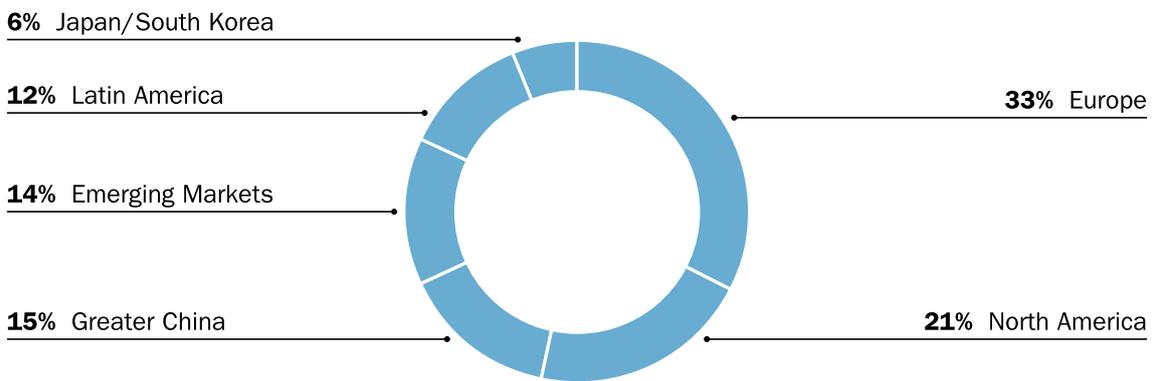
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| TO OUR<br>SHAREHOLDERS | GROUP MANAGEMENT REPORT -<br>OUR COMPANY | GROUP MANAGEMENT REPORT -<br>FINANCIAL REVIEW | GROUP MANAGEMENT REPORT -<br>SUSTAINABILITY STATEMENT | CONSOLIDATED<br>FINANCIAL STATEMENTS | ADDITIONAL<br>INFORMATION |

## Global reach

From a net sales perspective, we have a diversified global footprint. In 2025, Europe – our home market – had the highest share of business at 33% (2024: 32%), followed by North America at 21% (2024: 22%), and Greater China at 15% (2024: 15%). Emerging Markets represented 14% (2024: 14%), complemented by Latin America at 12% (2024: 12%) and Japan/South Korea at 6% (2024: 6%).<sup>13</sup>

▶ SEE BUSINESS PERFORMANCE BY SEGMENT

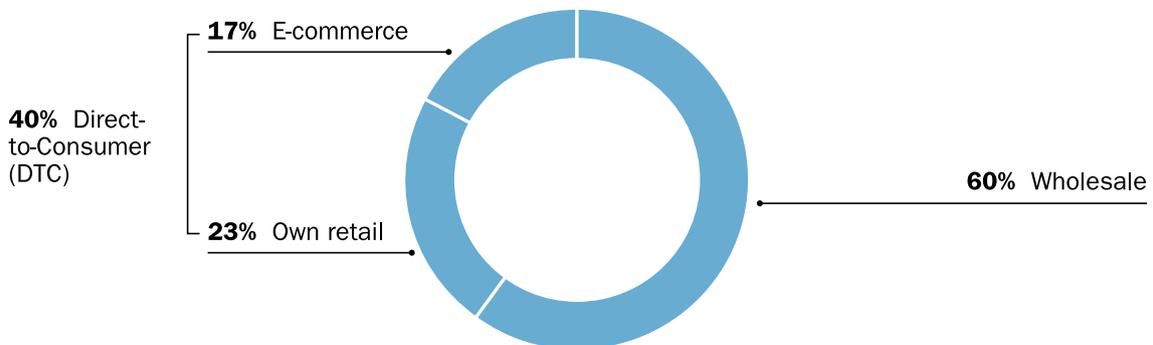
### Net sales share by market



## Sales channels

Our guiding principle is to meet our consumers where they are. Given the strong relevance of multi-brand distribution in several markets and categories globally, wholesale remained our largest channel, accounting for 60% of total net sales in 2025 (2024: 60%). The share of direct-to-consumer (DTC) business, consisting of own retail and e-commerce sales, was 40% in 2025 (2024: 40%).

### Net sales share by channel



<sup>13</sup> Disclosure pursuant to ESRS 2, paragraph 40a ii.

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|------------------------|--|---|---|--------------------------------------|---------------------------|
| 1                      | 2  | 3   | 4   | 5                                    | 6                         |
| TO OUR<br>SHAREHOLDERS | GROUP MANAGEMENT REPORT -<br>OUR COMPANY | GROUP MANAGEMENT REPORT -<br>FINANCIAL REVIEW | GROUP MANAGEMENT REPORT -<br>SUSTAINABILITY STATEMENT | CONSOLIDATED<br>FINANCIAL STATEMENTS | ADDITIONAL<br>INFORMATION |

## Wholesale

We focus on being a trusted service partner to our retail partners, both offline and online. Through speed, flexibility, strategic foresight, and the right attitude, we successfully navigate dynamic market environments, tailoring assortments for key accounts and enhancing in-store presentation. At the same time, we are closely managing demand and vigilantly tracking customer sell-out and inventory levels.

We continue to invest in future growth with our partners through branded space initiatives and customer-exclusive products that have a positive impact on our business. In addition, we are building on the positive feedback and strengthening the direct dialogue with our partners through dedicated partner camps. These include immersive showroom visits at our hubs around the world as well as events such as the FIFA World Cup 2026 sell-in meeting, where we hosted over 400 leaders from 170 partners at the SoFi Stadium in Los Angeles. We unlock additional sales opportunities by sharing and scaling these best practices across all of our markets.

## Own retail

Our own retail stores allow our consumers to directly interact with our brand, product, teams, and communities. They can touch and try on our products, feel inspired by our stories, and experience what we stand for as a brand. We continued to invest into a premium physical brand presence with digital elements and an environment that satisfies a wide variety of our consumers' needs in strategic locations.

In 2025, the total number of stores was 2,022 (2024: 1,933), comprising 886 concept stores (2024: 838) and 1,136 factory outlets (2024: 1,095). Our fleet of concept stores – including flagship stores, brand centers, and concession corners – focuses on offering premium experiences, while factory outlet stores are targeted at the value-seeking consumer.

We continued to strengthen our presence in strategic locations through additional store openings, remodels, and concept upgrades during 2025. For example, we opened one of our largest global flagship stores in Las Vegas, building on our momentum in North America and expanding our footprint ahead of the upcoming FIFA World Cup 2026. We also reopened our Manchester flagship store just in time for the launch of the successful Oasis collection. In Asia, we opened new Originals flagship stores in culturally relevant neighborhoods in Seoul and Shanghai that display many locally exclusive products. Our store fleet is complemented by pop-ups that create visibility around locally relevant moments in sports and culture. Examples include our Superstar, Formula 1, and Club World Cup pop-ups, as well as market-led brand exhibitions that support our product releases. We will keep investing in our physical retail fleet, as it represents an essential part of building our brand.

## E-commerce

Over the past two years, we have redefined the role of e-commerce within our sales channel mix and successfully focused on improving full-price sales and reducing promotional activity. Our adiClub membership program continues to deliver unique experiences, including raffles, 'money-can't-buy' products, vouchers, and partner offers. Members can use accumulated points across all digital and retail touchpoints, creating a seamless consumer experience. Our award-winning running app keeps millions of consumers active, motivates them by earning adiClub points, provides personalized fitness plans, and brings global brand moments to life. The 'Confirmed' app – our digital boutique and premium touchpoint for sneakerheads, streetwear, fashion, and style enthusiasts – continued to thrive through collaborations with high-fashion brands and pioneers such as Wales Bonner, Bad Bunny, Pharrell Williams, BAPE, and Edison Chen. Through these initiatives, the adidas app delivers coveted and premium products to our consumers, offering best-in-class experiences, and further solidifies our status as a trendsetter in the global lifestyle world.

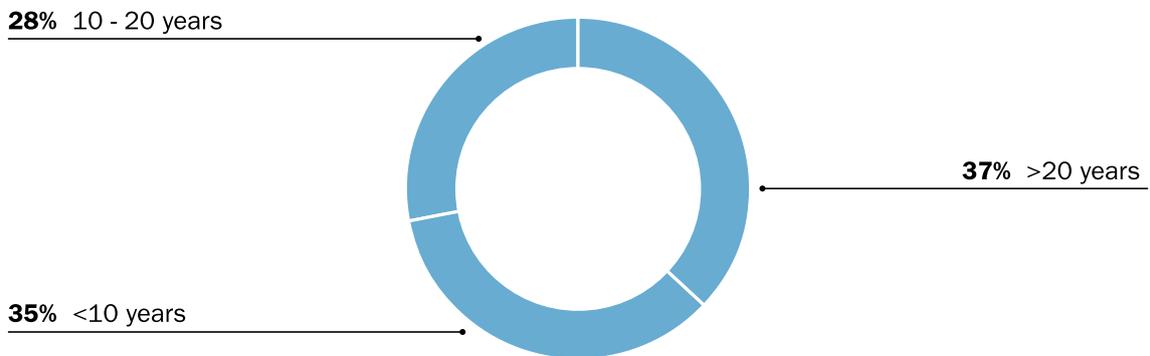
## Sourcing and Supply Chain

To ensure high standards in product quality and efficiency, we mainly source our products through independent manufacturing partners located in Asia. In addition, to maximize responsiveness, we follow a local-for-local sourcing approach, wherever reasonable. We acknowledge adverse social and environmental impacts within our supply chain and drive actions to mitigate and reduce those impacts. With the consumer in mind, we aim to support our markets in having the right product available at the right point of sale at the right point in time.

### Long-term relationships with independent manufacturing partners

To ensure high standards in product quality and efficiency, we outsource almost 100% of our production to independent manufacturing partners with the vast majority located in Asia. Strong capabilities around materials and processes have been built up in close collaboration with our strategic suppliers in this region over several decades. While we provide them with detailed product specifications that cover technical and sustainability dimensions, they possess excellent expertise in cost-efficient, high-volume production of footwear, apparel, and accessories. By valuing long-term relationships, we can ensure that this expertise continues to grow: 65% of our independent manufacturing partners have worked with adidas for at least ten years, and 37% for over 20 years.

#### Length of relationship with independent manufacturing partners



### Local-for-local sourcing for maximum responsiveness and flexibility

With our responsive and flexible sourcing model, we are able to react quickly to changing order patterns. In close collaboration with our wholesale partners, we are continuously assessing sell-through and can replenish product that is particularly sought-after during the season. This helps us to effectively reduce inventory risk and drive incremental net sales and higher margins by reducing initial order sizes.

We have continued to increase our local-for-local sourcing in several markets such as Greater China, India, Brazil, and Argentina. For example, we have set up an operating model in Greater China that enables end-to-end lead-time reduction for articles requiring higher in-season responsiveness. We have improved market order efficiency and now produce the vast majority of product for the local market in Greater China.

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|------------------------|--|---|---|--------------------------------------|---------------------------|
| 1                      | 2  | 3   | 4   | 5                                    | 6                         |
| TO OUR<br>SHAREHOLDERS | GROUP MANAGEMENT REPORT -<br>OUR COMPANY | GROUP MANAGEMENT REPORT -<br>FINANCIAL REVIEW | GROUP MANAGEMENT REPORT -<br>SUSTAINABILITY STATEMENT | CONSOLIDATED<br>FINANCIAL STATEMENTS | ADDITIONAL<br>INFORMATION |

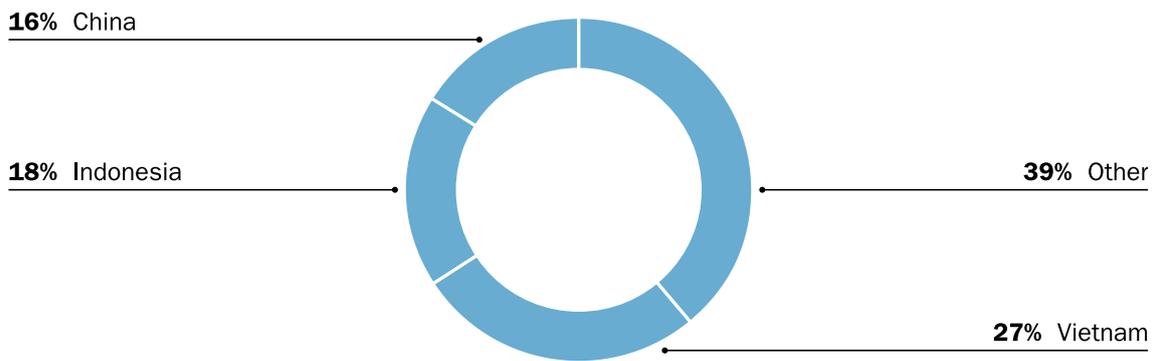
In addition to ensuring higher responsiveness, we constantly monitor the political and regulatory environment across the globe and proactively adjust the flow of goods to protect both availability and profitability.

## Vietnam as main sourcing country

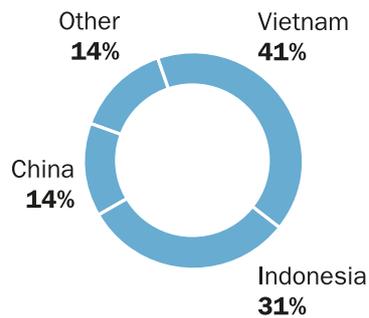
In 2025, Vietnam remained the largest sourcing country, accounting for 27% of adidas' total volume (2024: 27%), followed by Indonesia at 18% (2024: 19%) and China at 16% (2024: 16%). Overall, 92% of our total 2025 volume was produced in Asia (2024: 92%). Our largest factory produced approximately 6% of the total sourcing volume (2024: 5%).

### Share of sourcing volumes by product category and country

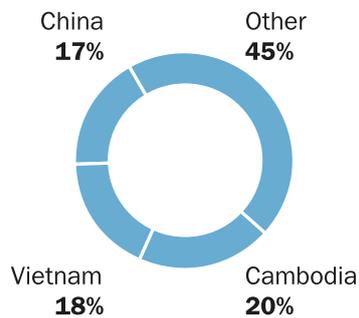
#### Total



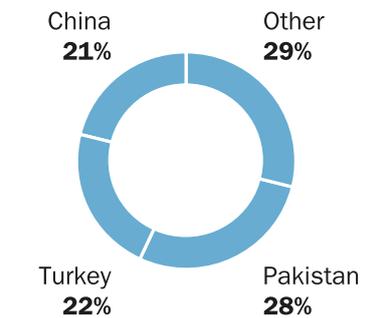
#### Footwear



#### Apparel



#### Accessories



## Reduction of adverse impacts throughout our supply chain

Greenhouse gas emissions from manufacturing are a major contributor to our CO<sub>2</sub>e emissions. To address this, we work with our suppliers to set decarbonization targets, including, but not limited to, increasing the use of renewable energy sources, scaling the use of low-carbon materials, and demonstrating progress toward targets that are aligned with the Science Based Target initiative (SBTi). Suppliers' progress on decarbonization is considered as part of our broader evaluation of key suppliers' performance. We also expect our suppliers to improve water efficiency at Tier 2 factories and to use chemical formulations that achieve the highest conformance level with ZDHC Manufacturing Restricted Substances List (ZDHC MRSL) standards. By mapping and addressing deforestation risks, we manage the impact of our supply chain on biodiversity.

To ensure that we focus on both environmental topics and the interests of the workers in our supply chain, we have established the Human Rights and Environmental Due Diligence (HREDD) framework. This guides internal risk assessment and risk management processes in accordance with the United Nations (UN) Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and is in line with applicable laws and regulations, including the German Supply Chain Due Diligence Act.

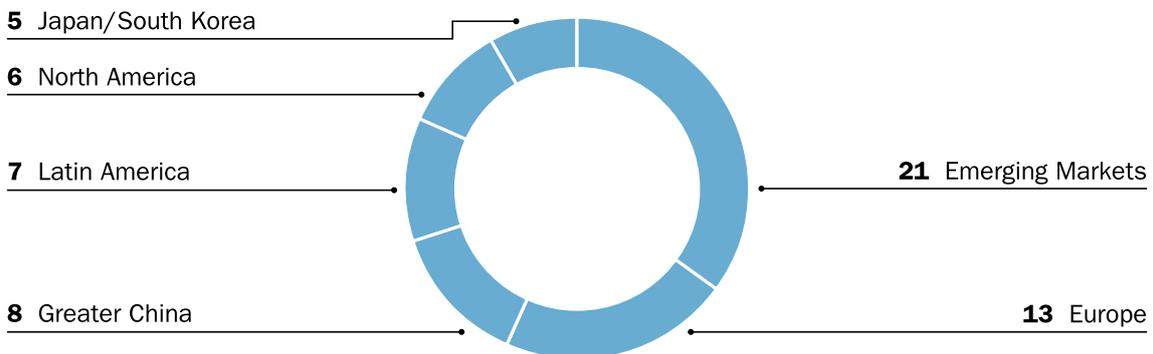
▶ SEE SUSTAINABILITY STATEMENT

## Serving consumers and partners through global distribution center network

After production, our products are shipped primarily by sea to our global distribution network of 60 (2024: 60) distribution centers, 21 (2024: 21) of which are company-owned and 39 (2024: 39) of which are managed by logistics partners. These centers are strategically located across the globe. To enhance product availability, around half of the centers serve all channels, while the other half are tailored to specific channels or services. This setup ensures that our products are available when and where the consumer wants them.

▶ SEE MARKETS AND SALES CHANNELS

### Distribution centers by region



# People and Culture

**We believe that our people are the key to the company’s success. Their performance, well-being, and personal development have a significant impact on brand reputation, consumer satisfaction, and, ultimately, our financial performance.**

Our goal is to develop a culture that values our employees’ experience, unique differences, well-being, and performance. To support this aim, we rely on our six values – Courage, Ownership, Innovation, Team Play, Respect, and Integrity – across our people policies and processes, including how we hire, develop, promote, and evaluate performance. These values underpin our culture and are the essence of our identity. They underscore the behaviors and mindsets we value in our colleagues, represent the attitude we want to see in each other, and help us achieve top performance.

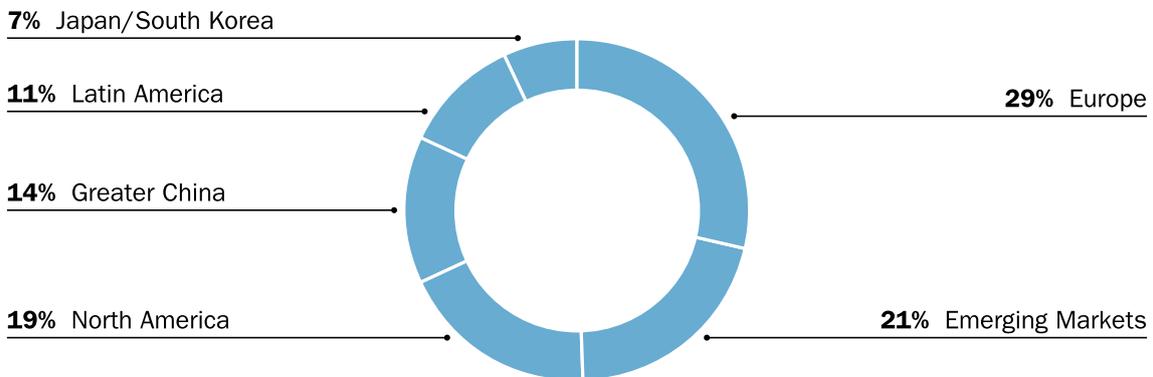
Our business model is fundamentally driven by people, encompassing skilled and creative individuals. As a result, fostering excellent working conditions and supporting freedom of association and the right to collective bargaining are material for us. This includes ensuring secure employment, promoting a healthy work-life balance with flexible and fair working time, enhancing employee engagement and development, creating an inclusive workplace for all employees that leverages everyone’s talent, and providing competitive and adequate wages. These factors are crucial for attracting and retaining top talent, which in turn guarantees high product quality and the ability to meet consumer demands.

▶ SEE ESRS S1 – OWN WORKFORCE

## Employees worldwide

# 64,938

### Employee share by region<sup>1</sup>



<sup>1</sup> At year-end.

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| 1                      | 2  | 3   | 4   | 5                                    | 6                         |
| TO OUR<br>SHAREHOLDERS | GROUP MANAGEMENT REPORT -<br>OUR COMPANY | GROUP MANAGEMENT REPORT -<br>FINANCIAL REVIEW | GROUP MANAGEMENT REPORT -<br>SUSTAINABILITY STATEMENT | CONSOLIDATED<br>FINANCIAL STATEMENTS | ADDITIONAL<br>INFORMATION |

Our continued focus on our people can be further explained by our priorities around creating an equal playing field for all, leadership, and performance. These pillars seek to focus our efforts on people and culture by:

- **Creating a level playing field for everyone:** Inclusion means valuing and leveraging the differences of our talents, consumers, and partners, while ensuring they are treated fairly and respectfully to enhance performance and unleash creativity. By creating a level playing field for everyone, we ensure that every individual has an equal opportunity to thrive and unleash high performance. By recruiting talent with diverse backgrounds and fostering a welcoming environment, we create a workplace where everyone commits and contributes at their full potential.

### Women in leadership positions

41%

- **Attracting, developing, and retaining key talent:** adidas continues to be recognized as an employer of choice, consistently earning top positions in leading global rankings. We maintained strong placements in Forbes' World's Best Employers and Universum's Most Attractive Employers lists. Additionally, adidas ranked among the top 20 companies in Forbes' Global Top Companies for Women, and for the second consecutive year, adidas achieved the number one ranking in Stern Magazine's category 'Clothing, Shoes, Sporting Goods.' Beyond these achievements, adidas was honored with the RippleMatch Campus Forward Award for excellence in recruitment strategies, underscoring our commitment to attracting and developing top talent.
- **Building role-model leaders who empower people:** Our development offerings focus on growing leadership behaviors and the essential skills needed to ensure our continued success, across all different seniorities. In addition, our leaders receive inclusive leadership training through our 'Leading with Inclusion' program. Our ambition is to inspire and nurture talented leaders from our diverse markets who exemplify our leadership behaviors in their day-to-day work. Through our leadership framework, we aim to establish a language that can support our people in embedding these behaviors in all moments and hold each other accountable to the highest standards. We undertake different initiatives to elevate and enhance our leadership pipeline.
- **Creating a premier employee experience:** Ensuring a positive and impactful employee experience is a key focus for us. We do this through listening to feedback from our employees, offering opportunities for flexibility, and focusing on well-being. To support a healthy lifestyle and mental well-being, our employees have access to a wide range of sports activities, events, and facilities. We have corporate gyms at many locations worldwide, including Herzogenaurach, Portland, Gurgaon, Shanghai, Dubai, and Manchester. Many of our office buildings have lockers and showers, allowing employees to include sports in their working day or cycle to work. To meet employee needs in a hybrid work setup, programs are both local and virtual to support teamwork and a healthy lifestyle. Offerings include hybrid sports classes, medical and psychosocial consultations (in-person and virtual), tools for digital disconnection, and carefully curated sessions on life topics.

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|------------------------|--|---|---|--------------------------------------|---------------------------|
| 1                      | 2  | 3   | 4   | 5                                    | 6                         |
| TO OUR<br>SHAREHOLDERS | GROUP MANAGEMENT REPORT -<br>OUR COMPANY | GROUP MANAGEMENT REPORT -<br>FINANCIAL REVIEW | GROUP MANAGEMENT REPORT -<br>SUSTAINABILITY STATEMENT | CONSOLIDATED<br>FINANCIAL STATEMENTS | ADDITIONAL<br>INFORMATION |

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- **Instilling a mindset of continuous learning:** We continue to promote a high-performance culture by developing our employees and rewarding performance. We offer a wide range of learning and development opportunities, including online learning resources and interactive learning experiences that provide personal and professional growth opportunities for our workforce. Our investments in digital learning and development opportunities offer equitable access to learning content and just-in-time upskilling or reskilling.
- **Recognizing and rewarding both individual and team performance:** The key focus of our rewards approach is to attract, retain, and motivate individuals through remuneration and benefits that are inclusive, fit for purpose, and competitive in the marketplace – thus enabling us to achieve our strategic objectives. To promote a high-performance culture, it is essential that we focus on performance management to ensure fair and equitable reward and recognition.