

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR 2025

General information

HUGO BOSS AG is a publicly listed stock corporation with its registered offices in Holy-Allee 3, 72555 Metzingen, Germany. The Company is registered in the commercial register of the Stuttgart local court under HRB 360610.

The purpose of HUGO BOSS AG and its subsidiaries (together "HUGO BOSS" or "the Group") is the development, marketing, and distribution of apparel, shoes, and accessories in the premium segment of the global apparel industry and other lifestyle products.

The consolidated financial statements of HUGO BOSS AG as of December 31, 2025, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU), and the additional regulations pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code].

The consolidated financial statements and the combined management report of HUGO BOSS AG, Metzingen, were approved by the Managing Board for submission to the Supervisory Board by a decision on March 3, 2026.

Due to rounding and the presentation in EUR thousand, it is possible that the individual figures in the consolidated financial statements do not add up to the stated total.

Financial reporting

The first-time application of the following new standards and amendments to the IFRS accounting standards as issued by the IASB, which are effective for a fiscal year beginning on or after January 1, 2025, do not have any material impact on the amounts or the disclosures of the Group's financial statements and results of operations. This includes:

- Amendment to IAS 21: Lack of Exchangeability (IASB effective date: January 1, 2025)

The following new standards, interpretations, and amendments to existing standards and interpretations issued by the IASB, partially endorsed by the EU, and that are effective for fiscal years beginning on or after January 1, 2026, have not been applied in preparing these consolidated financial statements. These amendments either do not have a material impact on the presentation of the Group's financial position and results of operations or are currently in the process of being reviewed for their application:

- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments (IASB effective date: January 1, 2026)
- Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity (IASB effective date: January 1, 2026)
- Annual Improvements to IFRS Accounting Standards – Volume 11 (IASB effective date: January 1, 2026)
- IFRS 18: Presentation and Disclosure in Financial Statements (IASB effective date: January 1, 2027)
- IFRS 19: Subsidiaries without Public Accountability: Disclosures (IASB effective date: January 1, 2027)
- IAS 21: The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (IASB effective date: January 1, 2027)

The Group has started to assess the impact of IFRS 18, which will lead to changes in the presentation of the consolidated statement of profit or loss and in related disclosures, including reclassifications between line items and additional note information. Comparative information will be re-presented in accordance with the new presentation and disclosure requirements in the year of initial application.

Consolidation principles

The basis of consolidation comprises HUGO BOSS AG and all subsidiaries, including structured entities, over which HUGO BOSS AG can exercise direct or indirect control. HUGO BOSS AG is deemed to exercise control if, as the parent company, it has power over the subsidiary on account of voting or other rights, is exposed to variable returns from its involvement in the subsidiary, and is able to use its power over the subsidiary to affect the amount of these returns. The subsidiary is deconsolidated as soon as the parent company relinquishes control over it.

Subsidiaries with an immaterial impact on the Group's net assets, financial position, and results of operations are not included in the consolidated financial statements. The impact is considered immaterial if the aggregated sales, earnings, and total assets make up less than 1% of the corresponding Group figures. This is reassessed at each reporting date. Non-consolidated subsidiaries are measured at fair value or, if this cannot be determined reliably, at cost, and reported under other non-current financial assets.

Structured entities that are controlled by the parent company are also consolidated. These are entities that have been structured in such way that they are controlled by the parent company regardless of who holds the voting or comparable rights. This is the case, for example, if the exercise of voting rights is confined to administrative tasks and the material activities are governed by contracts.

Joint ventures are consolidated using the equity method. Joint control is the contractually agreed sharing of control of an arrangement. It exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity-settled transactions.

Basis of consolidation

During the reporting period from January 1 to December 31, 2025, the number of consolidated companies decreased by 1 to 60, as compared to December 31, 2024.

Effective September 1, 2025, the assets and liabilities of ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Metzingen KG were transferred to HUGO BOSS AG, as the remaining limited partner, in the context of an accretion.

HUGO BOSS AG maintains an unchanged ownership and shares of 45% in YOURDATA HB DIGITAL CAMPUS, Unipessoal Lda. based in Porto (Portugal) in fiscal year 2025. HUGO BOSS AG has a contractual right to acquire the remaining shares of the company over a period up until July 2028 at a price based on the achievement of relevant KPIs. As of December 31, 2025, the fair value of this call option is assessed to be nil, with no related financial liabilities. Since fiscal year 2023, YOURDATA HB DIGITAL CAMPUS, Unipessoal Lda. is included in the consolidated financial statements, as HUGO BOSS AG has the decisive voting rights in the company.

Business combinations

When a company obtains control of one or more businesses, this constitutes a business combination within the meaning of IFRS 3. All business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition-date fair value and the amount of any non-controlling interest in the acquiree. The identifiable assets acquired and liabilities assumed (including contingent liabilities) in a business combination are measured at their acquisition-date fair values. Non-controlling interests are measured at their proportionate share in the fair value of the identifiable assets and liabilities. Acquisition-related costs are recognized in profit or loss as incurred.

Goodwill

Goodwill resulting from a business combination is the excess between the consideration transferred and the fair value of the non-controlling interest in the assets acquired and the liabilities assumed. If the consideration is lower than the fair value of the net assets of the acquiree, the difference is reassessed and then recognized in profit or loss.

After initial recognition, goodwill is carried at cost in the functional currency of the foreign acquiree less any accumulated impairment losses. Any goodwill recognized is tested for impairment annually and whenever there is an indication that the assets might be impaired.

Intercompany transactions

The effects of intercompany transactions are eliminated. Receivables and liabilities between the consolidated companies are offset against each other. Intercompany gains and losses pertaining to intangible assets, property, plant, and equipment, and inventories are eliminated. Intercompany income is offset against the corresponding intercompany expenses. Deferred taxes are recognized on temporary differences arising on consolidation in accordance with IAS 12.

Determination of the functional currency

The Group's reporting currency, the euro, is the functional currency of the parent company, HUGO BOSS AG. The functional currency of the subsidiaries included in the consolidated financial statements is typically the corresponding local currency. For subsidiaries that conduct a significant portion of their sales and sourcing activities and their financing in a currency other than the corresponding local currency, the functional currency is the currency of the primary business environment. Accordingly, the euro is the functional currency of HUGO BOSS Textile Industry Ltd., Turkey, as the company conducts most of its business in euros.

Foreign currency transactions and balances

In the separate financial statements, transactions in foreign currency are translated at the exchange rates valid at the dates of the transactions. Monetary items (cash and cash equivalents, receivables, and payables) denominated in foreign currencies are translated into the functional currency at closing rates. The resulting exchange rate gains and losses are recognized through profit and loss in other financial items.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated at the rate prevailing at the time the fair value was determined. Non-monetary items measured at historical acquisition cost are translated at the rate of the transaction date.

Hyperinflation

Turkey is classified as a hyperinflationary economy and therefore IAS 29 "Financial Reporting in Hyperinflationary Economies" applies to the Group's sales subsidiary in Turkey. Accordingly, the financial statements of HUGO BOSS Magazacilik Ltd. Sti., Izmir, Turkey, which has the Turkish lira as its functional currency, have been restated for the changes in general purchasing power retrospectively since January 1, 2022. The financial statements are based on a historical cost approach. All prior-year amounts have been translated into the Group currency (euro) at the closing rate as of December 31, 2021. Pursuant to IAS 21 "The Effects of Changes in Foreign Exchange Rates," comparative amounts of the previous reporting period have not been restated.

Additionally, in order to reflect the changes in general purchasing power at the balance sheet date, the carrying amounts of non-monetary assets and liabilities, shareholders' equity, and comprehensive income at subsidiaries in hyperinflationary economies are restated in terms of a measuring unit applicable at the balance sheet date. These are indexed using a general price index in accordance with IAS 29. However, no restatement is required for non-monetary assets and liabilities, as well as for monetary items, carried at amounts current at the end of the balance sheet date, such as net realizable value or fair value, as they represent money held, to be received, or to be paid. All items in the statement of profit and loss have to be expressed in terms of the measuring unit applicable at the balance sheet date.

Non-monetary assets that have been restated following IAS 29 are still subject to an impairment assessment in accordance with relevant IFRS standards.

For translation into the Group currency (euro), all amounts were translated at the closing rate as of December 31, 2025. The application of IAS 29 resulted in a gain on the net monetary position of EUR 5,065 thousand (2024: gain of EUR 3,812 thousand) in the Group's financial position and result of operations for fiscal year 2025.

The table below details the specific inputs used to apply IAS 29 for fiscal year 2025:

Input parameters	Turkey
Date of IAS 29 initial application	January 1, 2022
Consumer Price Index	Tüketici fiyat endeks rakamları
Index at December 31, 2025	3,513.87
Index at December 31, 2024	2,684.55
Adjustment Factor	1.3089

Furthermore, IAS 29 is not applicable for HUGO BOSS Textile Industry Ltd. in Turkey, comprising the Group's production facility in Izmir, as its functional currency is the euro.

Translation of the separate financial statements

The financial statements of the foreign Group companies whose functional currency is not the euro are translated into the Group reporting currency, the euro. Items are translated using the modified closing rate in accordance with IAS 21, under which assets, including goodwill, and liabilities are translated at closing rates, and income statement items are translated at the average monthly exchange rates for the reporting period. Differences from currency translation of income statements at average rates and statements of financial position at closing rates are reported without effect on profit or loss in other comprehensive income. The currency difference resulting from the translation of equity at historical rates is likewise posted to other comprehensive income. Currency differences recognized in other comprehensive income are reclassified to the income statement if the corresponding Group company is sold.

The most important exchange rates applied in the consolidated financial statements developed in relation to the euro as follows:

Currency	Average rate		Closing rate	
	2025	2024	2025	2024
1 EUR =				
AED	4.3009	3.8495	4.3112	3.8016
CAD	1.6168	1.4919	1.6088	1.4948
CHF	0.9327	0.9337	0.9314	0.9412
CNY	8.2507	7.6307	8.2262	7.5833
GBP	0.8748	0.8287	0.8726	0.8292
MXN	21.1664	21.2140	21.1180	21.5504
TRY	49.8603	36.5735	50.2859	36.7362
USD	1.1710	1.0482	1.1750	1.0389

Accounting policies

The financial statements of HUGO BOSS AG and its German and foreign subsidiaries are prepared pursuant to uniform accounting policies in accordance with IFRS 10.

Recognition of income and expenses

Income is recognized to the extent that it is probable that the economic benefits will flow to the Group and the income can be reliably measured. Income is measured at the fair value of the consideration received. Income is reported after deductions including discounts and other price deductions and net of VAT. The specific recognition criteria described below must also be met before income is recognized.

Sale of merchandise and goods

Income is recognized in accordance with IFRS 15. HUGO BOSS recognizes income from the sale of goods when the control of the goods is transferred to the buyer. In the wholesale channel, sales are recognized when the goods are delivered to the wholesale partner and all conditions affecting the acceptance of the goods by the wholesale partner have been satisfied. In the Group's brick-and-mortar retail business, the control passes to the customer upon payment for the goods. Sales are recognized when transactions with customers are completed. Sales via the Group's own online channel are recognized upon delivery of the goods to the customer. The date of delivery is defined as the date on which control of the merchandise and goods sold is transferred to the customer. The payment terms applied correspond to the payment terms customary in the industry per country.

Customers have the option to exchange goods for similar or other products or to return the goods for credits under certain conditions and in accordance with the contractual agreements. Amounts for expected returns are deferred from sales based on historical experience of return rates and periods through a liability for an obligation of return in accounts payable. The asset for the right of return of goods by the customer is recognized in the amount of respective inventories, less handling costs and potential impairment.

Shop fit contributions to retailers are recognized in the income statement as sales deductions.

License and other income

License and other income are recognized in the period in which they are generated in accordance with the terms of the underlying agreements.

Interest income and expense

Interest is recognized pro rata temporis, taking into account the effective yield on the assets and, if appropriate, on the liabilities.

Functional costs

Operating expenses are essentially allocated to the individual functional areas based on the respective cost centers. Expenses incurred in connection with cross-functional activities or projects are spread among the functional costs concerned using an adequate allocation principle.

Research and development costs

Research costs are recognized as expenses as they incur. Product development costs are likewise expensed as incurred if they do not satisfy the criteria for recognition as internally generated intangible assets. Production-related development costs are generally included in the calculation of the cost of unfinished and finished goods. These essentially comprise costs for technical product development in the third phase of the collection creation process.

Income taxes

The tax rates and tax laws used to calculate income tax are those that are enacted or substantively enacted on the reporting date in the countries where the Group operates and generates taxable income.

Receivables and liabilities for current income taxes are recognized to the extent the amount already paid exceeds the amount due, or to the extent not yet paid in respect of current and prior periods.

In accordance with IAS 12, deferred tax assets and deferred tax liabilities are recognized for temporary differences between the tax bases of the separate entities and the carrying amounts in the consolidated financial statements in accordance with IFRS and for certain consolidation adjustments. The Company does not calculate deferred taxes on the initial recognition of goodwill as it is not permissible.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the consolidated financial statements and in other management reporting. For additional information on climate-related measures related to deferred tax assets, refer to Note 10 Impairment testing.

Deferred tax assets also include tax credits that result from the expected utilization of existing unused tax losses in subsequent years and the realization of which can be assumed with sufficient probability. Deferred tax assets and deferred tax liabilities are presented on a net basis to the extent that the deferred tax assets and deferred tax liabilities relate to the same taxable entity including an enforceable right to offset corresponding taxes. Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply when the temporary differences reverse.

Income taxes are recorded in the income statement with the exception of those relating to items recognized directly in equity.

Property, plant, and equipment

Property, plant, and equipment that are used in business operations for longer than one year are measured at cost less accumulated depreciation. The cost of conversion includes all costs directly allocable to the production process as well as an appropriate portion of production-related overheads. The underlying useful lives correspond to the expected useful lives within the Group. Property, plant, and equipment are generally depreciated using the straight-line method. In line with IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance," investment grants received are offset against the acquisition or production costs of the corresponding asset.

Buildings and leasehold improvements on a third-party land are depreciated over the term of the underlying lease agreements or the lower useful lives.

The useful lives and depreciation methods for property, plant, and equipment and intangible assets are reviewed periodically to ensure that the depreciation method and period are consistent with the expected pattern of economic benefits from the respective assets.

Intangible assets

Intangible assets are recognized if it is probable that a future economic benefit from the use of the asset will flow to the Company and the cost of the asset can be reliably measured. Acquired intangible assets are measured at acquisition cost, and internally generated intangible assets are measured at conversion cost.

If the capitalization requirements of IAS 38 "Intangible Assets" are met cumulatively, expenses incurred during the development phase for internally generated intangible assets are capitalized at the time they arise. In subsequent periods, internally generated intangible assets and acquired intangible assets are measured at acquisition or conversion cost less accumulated amortization and impairment losses.

Intangible assets with a finite useful life are systematically amortized using the straight-line method over their useful life. Intangible assets with an infinite useful life are tested for impairment once a year. If the carrying amount of the asset is no longer recoverable, an impairment loss is recognized.

Intangible assets include software, licenses, trademark, and reacquired rights.

Impairment of non-financial assets

At every reporting date, non-financial assets (property, plant, and equipment and right-of-use assets from leases, including intangible assets and goodwill) are reviewed for indications of impairment ("triggering events"). In the event of such indication, the recoverable amount of the asset is estimated. Irrespective of whether there is an indication of impairment, intangible assets with indefinite useful lives and goodwill acquired in a business combination are tested for impairment annually. The recoverable amount is the higher of the fair value of the asset less costs of disposal and value in use. Value in use is the present value of the expected cash flows. Expected cash flows are discounted using the after-tax weighted average cost of capital that reflects the risks specific to the asset. In determining fair value less costs of disposal, external appraisals are taken into account, if available. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the smallest identifiable group of assets that generates largely independent cash inflows to which the asset belongs (cash generating unit, CGU) is determined.

If the carrying amount of the asset or CGU exceeds the corresponding recoverable amount, an impairment loss is immediately recognized through profit or loss. If a CGU is impaired, the carrying amount of any goodwill allocated to the unit is reduced first. Any remaining impairment loss reduces the other non-current assets of the CGU pro rata.

If, following an impairment loss recognized in prior periods, an asset or CGU has a higher recoverable amount, the impairment loss is reversed, but only up to a maximum of the recoverable amount. The reversal is limited to the amortized carrying amount that would have been determined as if no impairment loss had been recognized in the past. The impairment loss is reversed through profit or loss. Reversals of impairment losses recognized on goodwill are not permitted.

Inventories

Raw materials and supplies as well as merchandise are generally measured at moving average cost. Work in progress and finished goods are measured at cost. The cost of conversion of work in progress and finished goods includes direct material, direct labor, proportionate material and production overheads, and production-related amortization and depreciation insofar as this is a consequence of production. It also includes general administrative expenses, product development expenses, expenses for social facilities, expenses for voluntary social benefits and occupational pensions, to the extent that they are related to production and are incurred in the production period. Borrowing costs are expensed as incurred to the extent that the criteria for recognition in the carrying amount of an asset are not met.

Inventories are measured at the lower of cost and estimated selling price in the ordinary course of the business less the estimated cost to make the sale.

Leases

In accordance with IFRS 16, a leasing relationship exists if the lessor has contractually transferred the right to use an identified asset for a defined period in return for consideration by the lessee.

Under IFRS 16, the lessee recognizes a lease liability in the amount of the present value of the future lease payments and a corresponding right-of-use asset in the statement of financial position. The lease payments comprise the total of all fixed lease payments less incentive payments for the conclusion of the contract, variable lease payments linked to an index or (interest) rate, and amounts expected to be paid under residual value guarantees. Lease extension options are to be included if their exercise is reasonably certain. Contractually agreed payments for compensation in the event of early termination of the lease by the lessee must also be recognized if it cannot be assumed with reasonable certainty that the lease will be continued. The lease payments are discounted at the interest rate implicit in the lease agreement. If this interest rate cannot be readily determined, an incremental borrowing rate is used, which is adjusted for the country-specific risk and the lease term.

The right-of-use asset to be recognized in parallel is generally capitalized at the value of the lease liability. Lease payments already made and directly attributable costs must also be included. Payments received from the lessor in connection with the lease are to be deducted. Restoration obligations arising from leases must also be taken into account when measuring the right-of-use asset. A provision must be recognized for the obligation. The right-of-use asset is amortized on a straight-line basis over the term of the lease.

The depreciation of the capitalized right-of-use asset is recognized in the income statement in the respective functional areas and the interest expense from the compounding of the recognized lease liability is recognized in the financial result.

Financial instruments

A financial instrument is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities, to the extent that they are currently relevant to HUGO BOSS, are classified into the following categories:

FVTPL

(Fair value through profit or loss)

Financial assets and liabilities valued at fair value through profit or loss.

AC

(Amortized cost)

Financial assets and liabilities valued at amortized cost through the effective-interest method.

FVTOCI

(Fair value through other comprehensive income)

Financial assets valued at fair value through other comprehensive income.

Financial assets and financial liabilities are classified into the above categories upon initial recognition, except that no financial liabilities are classified under FVTOCI.

Financial assets

There are three classification categories for financial assets: debt instruments, equity instruments, and derivatives. For debt instruments, they are initially classified under IFRS 9 using a two-stage test, whereby the respective cash flow conditions and the business model for management of financial assets are examined. This test takes place at the financial asset level.

Financial assets are initially recognized at fair value. For financial assets not measured at fair value through profit and loss (FVTPL), directly attributable transaction costs related to the acquisition are added or deducted. All purchases and disposals of financial assets are recognized at their value at the settlement date, the day when the Group is obliged to purchase or sell the asset. The fair values recognized in the statement of financial position are the market prices of the corresponding financial assets. If such prices are not available, fair value is determined using generally accepted valuation models by reference to current market parameters. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, or discounted cash flow analysis and other valuation models.

Cash and cash equivalents recognized in the statement of financial position comprise cash on hand, bank balances, and other short-term deposits with an original term of less than three months. They are measured at amortized cost.

HUGO BOSS recognizes a loss allowance in accordance with the expected credit loss model under IFRS 9 for all financial instruments that are not classified as FVTPL, with the exception of for trade receivables. The expected credit loss (ECL) is allocated using three stages:

Stage 1: Expected credit losses within the next twelve months.

It includes all contracts with no significant increase in credit risk since their initial recognition. The portion of the lifetime expected credit losses that represents expected credit losses resulting from default events on a financial instrument that are possible within the next twelve months after the reporting date is recognized.

Stage 2: Expected credit losses over the lifetime – not credit-impaired.

If a financial asset has a significant increase in credit risk since its initial recognition but is not yet credit-impaired, it is moved to stage 2 and measured at the lifetime expected credit loss resulting from all possible default events over the expected life of a financial instrument.

Stage 3: Expected credit losses over the lifetime – credit-impaired.

If a financial asset is defined as credit-impaired or in default, it is transferred to stage 3 and measured at lifetime expected credit loss.

HUGO BOSS applies the simplified approach and recognizes lifetime expected credit losses on trade receivables. External benchmarking information, which considers forward-looking and macroeconomic factors, and internal empirical data are used in determining the probability of default for calculating the loss allowances according to the aging structure. Additionally, there are certain guarantees in place to reduce potential credit risks. In cases where evidence of credit risk is observed for a specific customer, HUGO BOSS performs a detailed analysis of the credit risk and recognizes an individual allowance on the trade receivables from this customer.

Other loans and receivables are subsequently measured at amortized cost (less any loss allowances) using the effective-interest rate method.

For credit risk management purpose, HUGO BOSS determines whether the credit risk on a financial instrument has increased significantly by considering reasonable and supportable information available to regularly compare the risk of a default occurring at the reporting date with the risk of a default occurring at initial recognition of the financial instrument. In its evaluation of whether the credit risk of a financial asset has changed, the Group utilizes all reasonable and reliable information that is available without excessive cost or expenses.

In case where a debtor is facing a financial difficulty or is involved in legal proceedings, HUGO BOSS recognizes an individual bad debt allowance for the related trade receivables classified as credit-impaired (stage 3). Even after an individual bad debt allowance has been recognized, the Group continues to conduct recovery measures to collect the receivables due. Nevertheless, a financial instrument may also be treated as being in default, if internal or external information indicates that full collection of the outstanding payment is viewed as unlikely. Individual impairment rates between 1% and 100% are used in this case. A financial asset is then written off entirely and derecognized when there is no reasonable expectation of recovery. All derecognitions have to be booked net and, at the same time, the corresponding amount of allowance needs to be adjusted.

Financial assets at fair value through profit or loss (FVTPL) include financial assets with cash flows other than those of principal and interest on the principal amount outstanding, except for equity instruments that do not have to be accounted for at FVTPL but also at FVTOCI. Furthermore, financial assets that are held in a business model, including "hold to collect" or "hold to collect and sell," can be presented at FVTPL. In addition, derivatives including embedded derivatives separated from a host contract, which are not classified as hedging instruments in hedge accounting according to IFRS 9, are classified as FVTPL. Gains or losses on these financial assets are recognized in profit and loss.

Financial assets at amortized cost (AC) are non-derivative financial assets with contractual cash flows that consist solely of payments of principal and interest on the principal amount outstanding, which are held with the aim of collecting the contractual cash flows, such as trade receivables or cash and cash equivalents (the business model "hold to collect"). After initial recognition, financial assets at amortized cost are subsequently carried at amortized cost using the effective-interest method less any loss allowances. Gains and losses on financial assets are recognized in the income statement.

Financial liabilities

Financial liabilities primarily include trade payables, liabilities to banks, lease liabilities, derivative financial liabilities, and other liabilities. They are measured at fair value on initial recognition. Directly attributable transaction costs are taken into account where appropriate.

Financial liabilities at amortized cost (AC) are subsequently measured at amortized cost using the effective interest method. If HUGO BOSS enters into reverse-factoring agreements under which trade payables to a supplier are transferred to a financial intermediary, this may result in changes to the presentation of the original trade payables. This is the case if these liabilities differed in nature and function from other trade payables. In such circumstances, these liabilities would be presented separately.

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading. Derivatives (including embedded derivatives separated from the host contract) that are not used as hedging instruments in hedge accounting are classified as held for trading. Gains or losses on liabilities held for trading, and on financial liabilities for which the FVTPL option was elected, are recognized in profit or loss.

Derivative financial instruments and hedge accounting

At HUGO BOSS, derivative financial instruments are solely used for hedging financial risks that arise from its operating or financing activities or liquidity management. This mainly includes interest rate risks and currency risks.

Derivative financial instruments are measured at fair value upon initial recognition and at each subsequent reporting date. Derivatives are recognized as assets if their fair value is positive and as liabilities if their fair value is negative.

If the requirements for hedge accounting as set out in IFRS 9 are met, HUGO BOSS designates and documents the hedge relationship from the date a derivative contract is entered into as a cash flow hedge. Cash flow hedges are utilized to hedge the variability of cash flows to be received or paid from expected transactions or a highly probable forecasted transaction. The documentation of the hedging relationship includes the objective and strategy of risk management, the type of hedging relationship, the nature of the risk being hedged, the identification of the eligible hedging instrument and the eligible hedged item, as well as an assessment of the effectiveness requirements comprising the risk mitigating economic relationship, the absence of deteriorating effects from credit risk, and the appropriate hedge ratio.

Hedging transactions are regularly assessed to determine whether the effectiveness requirements are met while they are designated. If derivative financial instruments do not, or no longer, qualify for hedge accounting because the qualifying criteria for hedge accounting are not, or are no longer, met, the derivative financial instruments are classified as held for trading and are measured at fair value through profit or loss.

Provisions

Provisions are recognized if a past event has led to a current legal or constructive obligation to third parties that is expected to lead to a future outflow of resources that can be estimated reliably. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions with a term of more than one year are discounted using a risk-free interest rate. Where the effect of time value of money is material, the amount of the provision equals the present value of the expenditures expected to be required to settle the obligation.

Provisions for deconstruction obligations

Provisions for deconstruction obligations in connection with the Group's own retail stores are recognized as liabilities at the present value of the best estimate of the amount required to settle the obligation. Corresponding assets are capitalized at the equivalent amount and included in the measurement of the corresponding right-of-use asset depreciated over the term of the lease agreement.

Provisions for pensions

The measurement of pension provisions relates to the Group's obligation to provide benefit-based and contribution-based plans. IAS 19 mandates the use of the projected unit credit method for the provision of benefit-based plans, which takes into account future adjustments to salaries and pensions. The year-end present value, determined using the projected unit credit method, was compared to the fair value of plan assets in the employer's pension liability insurance to the extent that offsetting is permissible (asset ceiling). Actuarial gains and losses are immediately posted in full to other comprehensive income. Actuarial gains and losses are not reclassified from other comprehensive income to consolidated net income in subsequent years. The same applies to all effects of the asset ceiling. Net interest determined by multiplying the net pension liability by the discount rate underlying the gross pension obligation (DBO) is reported in the financial result. The difference between the actual interest return on plan assets and the anticipated return on plan assets obtained using the discount rate is posted separately to other comprehensive income. The service cost is reported under the relevant functional costs. The contributions from contribution-based pension schemes are recognized as expenses in the income statement on maturity.

Share-based compensation programs

Share-based compensation programs are accounted for in accordance with IFRS 2.

Equity-settled share-based payments, forming part of the Restricted Stock Units Plan (RSUP) for eligible senior management are measured at the fair value of the equity instruments at the grant date. The fair value is then expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. Any impact from a revision of the original estimates, is recognized in profit and loss so that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves. The resulting expense is recorded as personnel expenses and the corresponding adjustment is recognized in other capital reserves. In the event that Management decides to settle the equity-settled share-based payments by means of a cash payout, the previous corresponding adjustment to other capital reserves is reversed, with the resulting expense still recorded as personnel expenses and the liability recognized as a provision. At the payout date, if the fair value is above (or below) the fair value at the grant date, an expense (or an income) is recognized in profit and loss.

Cash-settled share-based payments, forming part of the Long-Term Incentive program (LTI) for members of the Managing Board and eligible senior and middle management, are measured using an option price model of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized through profit and loss of the respective fiscal year. The resulting expense is recorded as personnel expenses in the affected functional costs and the liability recognized as a provision for personnel expenses.

The share-based program associated with the CEO Investment Opportunity is measured at the fair value of the equity instruments at the grant date.

Contingent liabilities and contingent assets

Contingent liabilities are not recognized. They are disclosed in the notes to the consolidated financial statements, unless an outflow of resources embodying economic benefits is very unlikely. Contingent assets are likewise not recognized. They are disclosed in the notes to the consolidated financial statements if an inflow of economic benefits is probable.

Estimation uncertainties and judgments

The preparation of the Group's consolidated financial statements requires Management to make judgments, estimates, and assumptions that affect the reported amounts of income, expenses, assets, and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. These estimates and judgments are made to obtain a fair presentation of the Group's net assets, financial position, and results of operations. In addition, the main judgments and estimates used are specified in the respective notes to the consolidated financial statements.

HUGO BOSS is subject to a variety of external risks, mainly in connection with macroeconomic, political, and social developments, as well as environmental and health aspects. In light of the high level of geopolitical and macroeconomic uncertainty, Management closely monitors current developments and maintains intensive dialog with Business Planning and Analysis, the management of the central divisions, and the Group's subsidiaries. Corporate planning is regularly reviewed and updated throughout the year.

Additionally, HUGO BOSS applies the following estimates and assumptions:

- Inventories are measured taking into account the risk provisions appropriate to the current business environment. HUGO BOSS applies a global merchandise logic, catering to customer demand across brands, regions, and channels, which aims to align the global seasonal launch. This merchandise model reflects the way the Group assesses recoverability of inventories, incorporating a seasonal approach to determine the devaluation factor. The carrying amount of inventories is presented in the statement of financial position, while inventory write downs are recognized in the income statement.
- Recoverability of trade receivables is assessed by valuing the trade receivables. A loss allowance is calculated based on external benchmarking information and internal empirical data, with the accounting estimates and parameters being reviewed on a regular basis. The probabilities of default are based on past, current, and future conditions. All subsidiaries of HUGO BOSS prepare an analysis of the aging structure of their trade receivables and follow uniform rules, for example, with regard to credit assessment or handling of doubtful receivables.

Acquisition of non-controlling interests without change of control

With effect as of August 31, 2025, HUGO BOSS AG, Metzingen, Germany, acquired the outstanding 6% interest in the previously fully consolidated ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Metzingen KG. The purchase price of EUR 287 thousand paid to the general partner as part of the transaction was recognized directly in equity as the difference between the purchase price and the carrying amount. Effective September 1, 2025, the assets and liabilities of ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Metzingen KG were transferred to HUGO BOSS AG, as the remaining limited partner, in the context of an accretion.

Notes to the Consolidated Income Statement

1 | Sales and cost of sales

Sales

(in EUR thousand)

	2025	2024
Brick-and-mortar retail	2,167,262	2,241,324
Brick-and-mortar wholesale	1,108,380	1,111,007
Digital	890,652	845,953
Licenses	103,544	109,065
Total	4,269,838	4,307,349

Further information on sales by region can be found in Note 24 Segment reporting.

Cost of sales

(in EUR thousand)

	2025	2024
Cost of purchase	1,485,461	1,492,833
Thereof cost of materials	1,447,012	1,477,555
Cost of conversion	157,997	154,675
Total	1,643,458	1,647,508

Cost of materials, as part of the cost of sales, include inbound freight and duty costs of EUR 226,129 thousand (2024: EUR 244,004 thousand).

2 | Selling and marketing expenses

(in EUR thousand)

	2025	2024
Expenses for own retail business and sales organization	1,310,505	1,375,883
Thereof brick-and-mortar retail expenses	943,198	988,711
Marketing expenses	303,208	309,145
Thereof expenses	309,062	317,562
Thereof income from re-invoicing of marketing expense	(5,854)	(8,417)
Logistic expenses	190,924	183,123
Total	1,804,637	1,868,152
Thereof sundry taxes	5,014	4,677

Expenses for the Company's own retail business and sales organization primarily consist of personnel expenses for wholesale and retail activities, as well as depreciation of property, plant, and equipment and right-of-use assets and amortization of intangible assets. In addition, this item includes sales-related commissions, outbound freight and duty charges, credit card fees, and impairment losses on assets amounting to EUR 29,036 thousand (2024: EUR 46,804 thousand). This item also includes losses from derecognition and impairment losses on trade receivables in the amount of EUR 8,006 thousand (2024: EUR 7,306 thousand).

Logistic expenses mainly include personnel expenses for warehouse logistics, expenses for a full-service agreement with an external provider, and right-of-use depreciation.

3 | Administration expenses

(in EUR thousand)

	2025	2024
Administrative expenses	344,388	340,899
Research and development expenses	86,602	89,968
Thereof personnel expenses	66,737	67,222
Thereof depreciation and amortization	3,079	3,187
Thereof other operating expenses	16,787	19,559
Total	430,990	430,868
Thereof sundry taxes	4,913	4,867

Administration expenses mainly comprise personnel expenses of the respective departments, maintenance costs, IT operating expenses, legal and consulting fees, as well as depreciation and amortization of non-current assets.

Research and development expenses primarily relate to the development of the collections.

Administration expenses include other income of EUR 19,690 thousand (2024: EUR 24,325 thousand). This includes reversal of provisions amounting to EUR 1,686 thousand (2024: EUR 1,818 thousand).

4 | Financial result

(in EUR thousand)

	2025	2024
Interest and similar income	2,087	1,253
Interest and similar expenses	(53,116)	(56,231)
Net interest income/expenses	(51,029)	(54,978)
Exchange rate gains/losses from receivables and liabilities	1,123	(3,192)
Gains/losses from hedging transactions	3,007	(2,875)
Other financial income/expenses	997	1,726
Other financial items	5,128	(4,341)
Financial result	(45,901)	(59,319)

Interest income includes income from bank deposits amounting to EUR 1,838 thousand (2024: EUR 1,127 thousand) and other interest income of EUR 249 thousand (2024: EUR 126 thousand).

Interest expenses include expenses from financial liabilities in the amount of EUR 14,688 thousand (2024: EUR 17,755 thousand) and other interest expenses in the amount of EUR 38,429 thousand (2024: EUR 38,475 thousand). These items mainly comprise interest expenses from lease payments of EUR 34,459 thousand (2024: EUR 35,157 thousand), measured using the incremental borrowing rate. In addition to interest on loans, this also includes the net interest amount for pension provisions, interest on non-financial liabilities (such as tax liabilities from tax audits), and interest expenses from the valuation at present value of other non-current provisions in the amount of EUR 3,970 thousand (2024: EUR 3,318 thousand).

Exchange rate gains and losses from receivables and liabilities comprise exchange rate gains of EUR 50,572 thousand (2024: EUR 57,260 thousand) as well as exchange rate losses of EUR 49,449 thousand (2024: EUR 60,451 thousand). The result from hedging transactions contains the effects from the fair value measurement and derecognition of foreign exchange forwards.

5 | Income taxes

(in EUR thousand)

	2025	2024
Current taxes	79,523	67,777
Deferred taxes	6,044	10,132
Total	85,567	77,909

Income taxes include corporate income tax plus the solidarity surcharge and trade tax of the German Group companies together with the comparable income taxes of foreign Group companies. Furthermore, the current income taxes include all top-up taxes based on the Global Minimum Tax legislation. At HUGO BOSS AG, the domestic income tax rate amounts to 29.8% (2024: 29.8%). Tax rates abroad range between 0% and 34%. Current income taxes for fiscal year 2025 include non-current expenses of EUR 9,604 thousand (2024: EUR 2,972 thousand), non-current benefits of EUR 8,291 thousand (2024: EUR 4,711 thousand), and effects from deductible withholding taxes of EUR 2,536 thousand (2024: EUR 1,661 thousand).

The following table presents a reconciliation of the expected income tax expense that would theoretically be incurred if the current domestic income tax rate of 29.8% (2024: 29.8%) were applied at Group level to the current income tax expense reported by the Group. The domestic income tax rate applied takes into account a corporate income tax rate (including solidarity surcharge) of 15.8% (2024: 15.8%) and a trade tax rate of 14.0% (2024: 14.0%).

(in EUR thousand)

	2025	2024
Earnings before taxes	344,852	301,503
Anticipated income tax	102,720	89,814
Tax effect of permanent items	2,821	775
Tax rate-related deviation	(23,073)	(8,987)
Thereof effects of changes in tax rates	(4,040)	259
Thereof adjustment of tax amount to diverging local tax rate	(19,033)	(9,246)
Tax refund/tax arrears	3,848	(78)
Deferred tax effects from prior years	2,748	(2,857)
Valuation allowance on deferred tax assets	(3,337)	(819)
Tax effects from distributable profit of subsidiaries	0	0
Other deviations	(161)	61
Income tax expenditure reported	85,567	77,909
Income tax burden	25%	26%

The tax effect of permanent items relates to a reduction in the income tax burden for tax-free income of EUR 3,031 thousand (2024: EUR 5,060 thousand), offset by tax effects of non-deductible business expenses of EUR 5,382 thousand (2024: EUR 7,917 thousand). Tax rate-related deviations are attributable to the global distribution of profits and diverging local tax rates in the different countries. The effect of changes in tax rates mainly arises from the remeasurement of deferred tax balances following the enactment of a statutory corporate income tax rate reduction in Germany, providing for a stepwise reduction of the corporate income tax rate from 15% to 10% starting in 2028. In fiscal year 2025, revaluations were recognized for deferred tax assets expected to be realized in the foreseeable future, resulting in a tax benefit of EUR 3,337 thousand (2024: EUR 819 thousand).

Other comprehensive income includes deferred tax expense of EUR 1,019 thousand (2024: EUR 28 thousand income). As in the prior year, deferred tax income in fiscal year 2025 is based on the recognition of actuarial gains and losses from pension provisions in equity.

Deferred tax assets and liabilities are presented on a net basis if they pertain to the same taxable entity and the same taxation authority. Deferred taxes in the consolidated statement of financial position are related to the following items:

(in EUR thousand)

	2025		2024	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Provisions and other liabilities	27,462	(4,325)	31,645	(1,934)
Unused tax losses	8,011	0	9,752	0
Inventory measurement	55,391	(2,218)	55,402	(2,837)
Recognition and measurement of non-current assets	31,363	(54,717)	35,774	(51,264)
Receivables measurement	7,628	(41)	9,899	(46)
Financial liabilities and financial assets	21,877	(956)	17,781	(797)
Retained earnings of subsidiaries	0	(1,115)	0	(1,115)
Other differences in recognition and measurement	9,946	(5,775)	5,613	(2,467)
Net amount	161,678	(69,147)	165,866	(60,460)
Netting	(33,555)	33,555	(42,010)	42,010
Total	128,123	(35,592)	123,856	(18,450)

Of the deferred tax assets, EUR 64,877 thousand (2024: EUR 64,242 thousand) are non-current; at the same time, EUR 58,911 thousand (2024: EUR 49,680 thousand) of the deferred tax liabilities are non-current.

Deferred taxes on IFRS 16 balance sheet items are reported on a net basis. The deferred tax asset on lease liabilities is EUR 184,238 thousand (2024: EUR 209,275 thousand) and the deferred tax liability on right-of-use assets is EUR 164,671 thousand (2024: EUR 189,148 thousand), resulting in a net deferred tax asset of EUR 19,567 thousand (2024: EUR 20,127 thousand), which is reported within financial liabilities and financial assets in the table above.

Distributable profits at foreign subsidiaries are to be paid out in the coming years, partly to Germany. The tax expense attributable to the distribution to Germany of EUR 865 thousand (2024: EUR 865 thousand) was recognized as a deferred tax liability. In addition, deferred taxes were recognized for distributable profits from subsidiaries paid out to other subsidiaries to the extent withholding tax is payable on future dividends. For these withholding tax charges, a deferred tax liability of EUR 250 thousand (2024: EUR 250 thousand) was recognized.

Deferred tax liabilities due to differences between the respective net assets and taxable carrying amount of shares in subsidiaries amounting to EUR 416,125 thousand (2024: EUR 534,537 thousand) were not recognized, as the profits are currently intended to be permanently reinvested. If the profits were to be distributed in Germany, 5% would be subject to taxation in Germany or possibly trigger withholding tax in other countries. Distributions therefore generally result in additional tax expense.

Deferred tax assets on losses carried forward and deductible temporary differences are recognized to the extent taxable temporary differences exist or there are sufficient taxable profits in respect of the same tax authority and taxable entity in subsequent years. The recoverability assessment is based on detailed planning of operational results for all units of the Group, which is prepared annually as part of the Group-wide budget planning process and approved by the Supervisory Board. As of the reporting date, deferred tax assets amounting to EUR 8,688 thousand (2024: EUR 9,137 thousand) were accounted for at Group companies with losses in the reporting period or a prior period. Unused income tax losses pertain to domestic and foreign Group companies and are broken down as follows:

(in EUR thousand)

	2025	2024
Expiry within		
1 year	9	9
2 years	2,661	256
3 years	2,085	5,387
4 years	331	6,192
5 years	11	365
After 5 years	3,594	3,856
Unlimited carryforward	79,879	74,537
Total	88,570	90,602

As in prior years, a corresponding deferred tax asset of EUR 8,011 thousand was recognized on unused tax losses as of December 31, 2025 (2024: EUR 9,752 thousand). In fiscal year 2025, no deferred taxes were recognized for losses carried forward of EUR 50,221 thousand (2024: EUR 49,704 thousand). The expiration date of these losses is classified as follows:

(in EUR thousand)

	2025	2024
Expiration date		
2026	9	9
2027	83	1,372
2028	8	1,233
2029	13	365
2030	11	11
After 5 years	2,709	3,845
Unlimited carryforward	47,388	42,860
Total	50,221	49,695

Judgments that deferred tax assets are recognized on unused tax losses were made to the extent it is probable taxable profits will be available in the future against which the unused tax losses can be utilized. The probability of the future usability is assessed taking into account various factors, such as future taxable results in the planning periods, past results, and measures already taken to increase profitability, as well as available tax planning strategies. HUGO BOSS applies a forecast period of four years for this purpose. Actual figures may differ from the estimates.

The income tax receivables relate mainly to tax advance payments and reimbursement claims. These are based on reasonable estimates to the extent reimbursement by the financial administration office is judged to be largely probable on the basis of relevant case law. This assessment also takes into account the estimates of local external experts.

The tax audit for the assessment years 2016–2020 at HUGO BOSS AG was completed in 2025. The provisions recognized as of the reporting date reflect the audit findings, including both the audited periods and the resulting subsequent effects. The final tax assessments reflecting these findings are still pending.

HUGO BOSS applies the temporary mandatory exception introduced by the amendments to IAS 12 issued in May 2023 with respect to the recognition and disclosure of deferred taxes arising from the implementation of the global minimum tax (Pillar Two). Based on the German Minimum Tax Act, which entered into force on January 1, 2024, HUGO BOSS is required to assess, for each tax jurisdiction, whether a top-up tax amount equal to the difference between the GloBE effective tax rate and the minimum tax rate of 15% is payable. For this purpose, HUGO BOSS performed an analysis of the affected tax jurisdictions as of the reporting date. As a first step, the applicability of the CbCR safe harbour rules was assessed. For those jurisdictions that did not qualify for any of the safe harbour provisions, the effective tax rate was determined on a simplified basis. Based on this analysis, a top-up tax amount of EUR 1,816 thousand was identified for the United Arab Emirates (2024: EUR 1,196 thousand). In addition, the simplified calculation resulted in the recognition of a qualified domestic minimum top-up tax (QDMTT) of EUR 237 thousand for Turkey (2024: EUR 86 thousand). In fiscal year 2025, a local qualified domestic minimum top-up tax (QDMTT) of EUR 149 thousand was identified for Switzerland for the first time (2024: EUR 0 thousand). The top-up taxes resulting from the application of the global minimum tax are recognized in the fiscal year in the respective tax jurisdictions under local QDMTT regimes. The total tax expense recognized in the fiscal year 2025 in connection with the global minimum tax amounts to EUR 2,370 thousand (2024: EUR 1,282 thousand), taking into account an adjustment of the 2024 top-up tax amount in Turkey, and is included in current income tax expense. HUGO BOSS continues to monitor legislative developments relating to the global minimum tax and continuously assesses the potential effects on the Group's future earnings.

6 | Earnings per share

There were no shares outstanding that could have diluted earnings per share as of December 31, 2025, or December 31, 2024.

(in EUR thousand)		
	2025	2024
Net income attributable to equity holders of the parent company	249,480	213,468
Average number of shares outstanding ¹	69,016,167	69,016,167
Earnings per share (EPS) in EUR ²	3.61	3.09

1 Excluding own shares.

2 Basic and diluted earnings per share.

7 | Additional disclosures to the Consolidated Income Statement

Personnel expenses

(in EUR thousand)		
	2025	2024
Cost of sales	126,738	124,983
Selling and marketing expenses	583,917	591,351
Administration expenses	273,660	263,008
Total	984,315	979,342

(in EUR thousand)		
	2025	2024
Wages and salaries	830,957	831,761
Social security	150,194	143,358
Expenses and income for retirement and other employee benefits	3,164	4,222
Total	984,315	979,342

Employees (average headcount)

	2025	2024
Industrial employees	5,773	6,136
Commercial and administrative employees	14,655	15,043
Total	20,428	21,179

Ordinary depreciation

(in EUR thousand)

	2025	2024
Cost of sales	7,039	6,499
Selling and marketing expenses	313,694	318,901
Administration expenses	41,111	42,001
Total	361,844	367,402

Impairments/write-ups¹

(in EUR thousand)

	2025	2024
Brick-and-mortar retail	(23,792)	(43,013)
Intangible assets incl. goodwill	(3,291)	0
Right-of-use assets	(1,954)	(3,791)
Total	(29,036)	(46,804)

¹ Impairment losses are shown as negative (-), while reversals of impairment losses are shown as positive (+).

Notes to the Consolidated Statement of Financial Position

8 | Intangible assets and property, plant, and equipment

(in EUR thousand)

	Gross value Jan. 1	Currency differences	Additions	Disposals	Transfers	Gross value Dec. 31	Accumulated amortization, depreciation and impairment Jan. 1	Currency differences	Depreciation	Impairment	Disposals	Transfers	Accumulated amortization, depreciation and impairment Dec. 31	Net value Dec. 31
2025														
Software, licenses, and other rights	418,309	(2,413)	55,563	(7,928)	63	463,594	258,597	(1,973)	23,912	3,291	(7,806)	0	276,021	187,573
Brand rights	14,992	0	0	0	0	14,992	0	0	0	0	0	0	0	14,992
Goodwill	65,558	(3,542)	0	0	0	62,016	10,019	(117)	0	0	0	0	9,902	52,115
Intangible assets	498,859	(5,955)	55,563	(7,928)	63	540,602	268,616	(2,090)	23,912	3,291	(7,806)	0	285,923	254,680
Lands and buildings	317,470	1,262	7,672	(565)	30,936	356,775	136,293	1,099	10,460	0	(565)	(2)	147,285	209,490
Technical equipment and machinery	139,454	(842)	1,410	(492)	0	139,530	98,106	(88)	7,876	0	(468)	0	105,427	34,103
Other equipment, operating and office equipment	1,161,371	(54,653)	78,301	(92,906)	8,727	1,100,840	817,810	(39,845)	98,101	23,792	(89,975)	45	809,929	290,911
Construction in progress	101,041	(599)	50,041	(11)	(39,409)	111,063	0	0	0	0	0	0	0	111,063
Property, plant, and equipment	1,719,336	(54,832)	137,424	(93,974)	254	1,708,208	1,052,209	(38,834)	116,437	23,792	(91,008)	43	1,062,641	645,567
Total	2,218,195	(60,787)	192,987	(101,902)	317	2,248,810	1,320,825	(40,924)	140,349	27,083	(98,814)	43	1,348,564	900,247
2024														
Software, licenses, and other rights	362,241	712	58,606	(3,288)	38	418,309	236,215	613	25,058	0	(3,288)	0	258,597	159,712
Brand rights	14,992	0	0	0	0	14,992	0	0	0	0	0	0	0	14,992
Goodwill	64,766	792	0	0	0	65,558	10,014	5	0	0	0	0	10,019	55,539
Intangible assets	441,999	1,504	58,606	(3,288)	38	498,859	246,229	618	25,058	0	(3,288)	0	268,616	230,243
Lands and buildings	315,235	(2,838)	3,166	(37)	1,944	317,470	127,927	(2,229)	10,630	0	(35)	0	136,293	181,177
Technical equipment and machinery	129,461	316	4,760	(722)	5,639	139,454	91,124	41	7,638	0	(697)	0	98,106	41,347
Other equipment, operating and office equipment	1,057,471	15,449	156,970	(81,602)	13,083	1,161,371	739,018	9,878	105,041	44,503	(80,626)	(4)	817,810	343,561
Construction in progress	59,434	36	62,435	(145)	(20,719)	101,041	0	0	0	0	0	0	0	101,041
Property, plant, and equipment	1,561,601	12,963	227,331	(82,506)	(53)	1,719,336	958,068	7,690	123,309	44,503	(81,358)	(4)	1,052,209	667,127
Total	2,003,600	14,467	285,937	(85,794)	(14)	2,218,195	1,204,297	8,308	148,367	44,503	(84,646)	(4)	1,320,825	897,369

Software, licenses, and other rights

The item "Software, licenses, and other rights" mainly contains software and software licenses as well as intangible assets identified in the course of purchase price allocations. The amortization for these items is recognized in administrative expenses.

The intangible assets mainly relate to software for the Group-wide ERP system consisting of industry solutions such as SAP AFS and SAP Retail and necessary software solutions for the operational business. The additions of EUR 55,563 thousand (2024: EUR 58,606 thousand) essentially arose from investments in the ongoing conversion of the Group-wide ERP system to SAP S/4HANA and software for the Company's online business.

Brand rights

The reported brand rights amounting to EUR 14,992 thousand (2024: EUR 14,992 thousand), which are primarily attributable to the brand rights acquired for the use of the brand names BOSS, HUGO and HUGO BOSS in the U.S. and Italy, are classified as assets with infinite useful lives. The infinite useful life stems from the estimate of an indefinite use of the registered brand name.

Property, plant, and equipment

Land charges in connection with land and buildings amount to EUR 61,084 thousand (2024: EUR 66,614 thousand).

Impairment losses of EUR 23,792 thousand (2024: EUR 44,503 thousand) were recognized under property, plant, and equipment, which mainly relate to equipment for individual own retail stores.

In terms of property, plant, and equipment, buildings are generally amortized over a useful life of 30 years, technical facilities and machines over a useful life of 5 to 19 years, and other facilities and operating and office equipment over 2 to 15 years.

Purchase obligations

There are purchase obligations for investments amounting to EUR 9,375 thousand (2024: EUR 19,771 thousand). Of this amount, EUR 5,123 thousand (2024: EUR 17,858 thousand) is attributable to property, plant, and equipment and EUR 4,252 thousand to intangible assets (2024: EUR 1,913 thousand). The obligations as of December 31, 2025 are due for settlement within one year.

9 | Leases

HUGO BOSS has entered into a substantial number of leases for retail stores, as well as office and warehouse space. The lease agreements generally have terms between 1 to 30 years, with some agreements also containing purchase and renewal options. The Group applies judgment in determining the lease term by including extension options in addition to the non cancellable basic term when the extension has already been definitively negotiated with the landlord and the contract has been duly signed by both parties. Reasonable certainty is therefore assumed once the contract has been signed. For leases of low-value assets and for short-term leases, the Group has elected to recognize lease payments as an expenses as incurred. Likewise, leases with variable lease payments for which no minimum rent is contractually agreed are recognized as an expense as incurred. Consequently, no right-of-use assets or lease liabilities are recognized for these types of leases.

The effects of the Company's leases on the balance sheet, the income statement, and the consolidated statement of cash flows as of December 31, 2025, are presented below:

Leases in the balance sheet

Additions, depreciation, and changes in the right-of-use assets from lease agreements are allocated to the underlying assets as of December 31, 2025, as follows:

(in EUR thousand)

	Stores	Warehouse	Offices and others	Total
Carrying amount as of January 1, 2025	712,678	65,575	98,956	877,209
Changes in the basis of consolidation	0	0	0	0
Additions	186,836	1,847	592	189,275
Depreciation	(190,061)	(14,420)	(17,013)	(221,494)
Impairment	(1,954)	0	0	(1,954)
Disposal	(163)	(127)	0	(289)
Transfers	(275)	0	0	(275)
FX differences	(34,596)	(3,183)	(4,804)	(42,583)
Carrying amount as of December 31, 2025	672,465	49,692	77,731	799,888
Carrying amount as of January 1, 2024	621,407	35,954	64,740	722,101
Changes in the basis of consolidation	0	0	0	0
Additions	267,364	41,395	50,617	359,376
Depreciation	(188,317)	(12,702)	(18,010)	(219,029)
Impairment	(3,791)	0	0	(3,791)
Disposal	(329)	(17)	(93)	(439)
Transfers	10	0	0	10
FX differences	16,334	945	1,702	18,981
Carrying amount as of December 31, 2024	712,678	65,575	98,956	877,209

Maturity analysis of lease liabilities

The following table presents the breakdown of lease liabilities by maturity:

(in EUR thousand)		
	2025	2024
Due within one year	226,990	258,440
Due between one and five years	552,791	585,043
Due after five years	210,933	230,601
Total (undiscounted)	990,714	1,074,083
Interests	(103,819)	(114,902)
Total	886,895	959,181

Leases in the income statement

The following amounts are recognized in profit and loss:

(in EUR thousand)		
	2025	2024
Total lease-related expenses in EBIT	(412,221)	(426,073)
Depreciation right-of-use assets	(221,494)	(219,035)
Impairment/write-ups of right-of-use assets	(1,954)	(3,791)
Net income from disposal of right-of-use assets	1,721	5,745
Expenses from variable lease payments	(173,174)	(190,540)
Expenses for short-term leases	(12,237)	(13,644)
Expenses for leases of low-value assets	(5,089)	(4,834)
Income from subleases	6	26
Total lease-related expenses in financial results	(34,668)	(34,333)
Interest expenses for lease liabilities	(34,459)	(35,157)
Income/expenses from foreign exchange differences on lease liabilities	(209)	824

The total lease cash outflow, encompassing the repayment of lease liabilities, interest expenses, payments for short-term leases, payments for lease of low-value assets, and variable lease payments, amounted to EUR 436,257 thousand in 2025 (2024: EUR 460,272 thousand). Thereof an amount of EUR 211,303 thousand relates to the repayment of lease liabilities (2024: EUR 216,123 thousand).

Material future non-recognized lease payments with maturities

The following future lease payments are not included in the measurement of lease liabilities as of December 31, 2025, in accordance with IFRS 16:

(in EUR thousand)

	Due 2026	Due 2027–2030	Due after 2030	Total
Variable lease payments	157,267	688,015	575,878	1,421,161
Payments from uncertain termination options	3,300	24,156	8,864	36,319
Payments from uncertain extension options	14,862	171,650	163,725	350,238
Total lease payments	175,430	883,821	748,468	1,807,718

In addition, payments from short-term leases, leases for software, and leases for low-value assets are expected, however, these are deemed immaterial by HUGO BOSS.

The determination of future off-balance sheet lease payments is based on management assumptions regarding the lease term and the amount of the lease payments. In estimating future lease payments, HUGO BOSS assumes the remaining term of the original lease plus the one-time exercise of renewal options, which are not yet sufficiently certain based on current knowledge. The future variable lease payments are derived on the basis of the sales planned for directly operated stores (DOS) and outlets for 2026 using a bottom-up approach and are projected using a like-for-like (LFL) comparable store sales growth rate. Future payments from uncertain renewal options take into account all contracts with renewal options existing as of December 31, 2025, and are based on the assumption of constant future rental payments.

10 | Impairment testing

An impairment test must be performed for all assets within the scope of IAS 36 if there are triggering events for impairment at the reporting date. For intangible assets with indefinite useful lives and goodwill, an annual impairment test is performed irrespective of the existence of such indications.

Ordinary depreciated property, plant, and equipment, intangible assets and amortized right-of-use assets

In brick-and-mortar retail, each directly operated store (DOS) represents an individual cash-generating unit (CGU), as each store generates largely independent cash inflows. In brick-and-mortar wholesale and in the digital business, the respective portfolios of customer relationships generate independent cash flows at hub or country level. Accordingly, the wholesale portfolios at each hub and the respective digital business activities at country level are defined as CGUs. Corporate assets that support multiple CGUs are not allocated to individual units but are tested for impairment at the level of the smallest group of CGUs to which they can be assigned on a reasonable and consistent basis. This definition of cash-generating units at DOS, hub and channel level is in line with the way the Group manages and monitors its business activities.

The depreciated assets, including the right of use assets from leasing contracts, are subjected to impairment testing, if there are indicators or changes in the planning assumptions resulting in a carrying amount exceeding the recoverable amount of the assets. After preparing the annual budget planning, HUGO BOSS carries out a triggering-event test at the level of the respective CGUs and group of CGUs. In the event of a shortfall in defined sales and profitability ratios as compared to the latest budget, the non-current assets of the respective CGU or group of CGUs are subjected to impairment testing.

The recoverable amount of a DOS is determined by calculating the value in use on the basis of discounted cash flow calculations. The planned cash flows for the DOS from budget planning adopted by the Managing Board and approved by the Supervisory Board of HUGO BOSS AG were used to determine the value in use as of the reporting date. Furthermore, the gross profit margin of the upstream units are taken into account. The forecast period is determined on the basis of the individual remaining term of the lease as the leading asset. Following the first planning year derived from the approved budget planning, country- and CGU-specific revenue and cost developments are used as a basis for the remaining useful life. The growth rates used are based on the expected nominal retail growth in each respective market for the corresponding planning year. For all DOS, growth rates range from low single-digit to high single-digit percentages. At the end of the remaining useful life, it is assumed that the respective DOS will be wound up with a sale of the operating assets at the carrying amount. In determining the value in use of the DOS, the cash flows were discounted at a weighted average cost of capital after tax between 7.6% and 31.6% (2024: between 8.7% and 26.6%). A maturity-equivalent risk-free interest rate of 3.25% (2024: 2.5%) and a market risk premium of 5.5% (2024: 6.5%) were applied. The calculated pre-tax interest rates are between 12.1% and 42.6% (2024: 12.2% and 31.8%). If an impairment loss is recognized, it is allocated proportionately to the non-current assets of the CGU. However, no asset may be written down below its respective fair value. For this purpose, the fair values of the right-of-use assets are determined separately. Information from actual lease extensions or new leases for comparable own retail stores is used to derive the market rent and thus the fair value. If no internal data is available for comparable properties, the market rent is derived using estimates from external real estate specialists for properties in comparable locations. If the conditions at which the lease was concluded correspond to the current market conditions derived from actual lease agreements or the estimates of external real estate specialists, it is assumed that the right-of-use asset is recoverable. If the fair value exceeds the calculated value in use of the corresponding CGU, the impairment loss resulting from the calculation of the value in use of the CGU is allocated to the other non-current assets of the CGU.

Impairment tests carried out in the current fiscal year resulted in gross impairment losses on non-current assets of EUR 29,036 thousand (2024: EUR 48,294 thousand), which were recognized in profit or loss under selling and marketing expenses. Of this amount, EUR 23,792 thousand related to property, plant, and equipment, EUR 3,291 thousand to intangible assets and EUR 1,954 thousand to right-of-use assets. The impairment losses are attributable to all regions.

As part of an impairment analysis, an additional triggering-event test is used to determine whether there are indications that assets on CGU level that had been impaired in the past were able to improve their earnings situation to such an extent that a reversal (write-up) was necessary. No impairment losses were reversed (2024: EUR 1,490 thousand in selling and marketing expenses) in fiscal year 2025.

Overall, this related to net impairment losses of EUR 29,036 thousand in fiscal year 2025 (2024: net impairment loss of EUR 46,804 thousand).

Goodwill and intangible assets with infinite useful life

The impairment assessment is based on detailed earnings, balance sheet, and investment plans for the next fiscal year for all Group units, which have been adopted by the Management as part of the Company-wide budget planning process, taking into account the current business situation and approved by the Supervisory Board. Years 1–4 from the approved medium-term planning of the respective subsidiary are used for the valuation model, possibly adjusted for future expansion investments such as new store openings. In year 5 and for the terminal value, the sales and cost trends are extrapolated using country-specific growth rates based on year 4. The nominal GDP growth for the respective country from Oxford Economics is used for the extrapolation. The planning of capital expenditure and current net operating assets is based on budget planning data and updated on assumptions and estimates made by management. The cost of capital after taxes is determined using a WACC model for HUGO BOSS, which is used to discount all cash flow forecasts in local currency, includes both standard market and country-specific risk premiums (country risk premium) and a premium for currency risk (inflation risk premium). The cost of capital after taxes used as of December 31, 2025 is based on a risk-free interest rate of 3.25% (2024: 2.5%) and a market risk premium of 5.5% (2024: 6.5%).

The following table shows the carrying amounts and the main assumptions used to determine the value in use or fair value less costs of disposal for the goodwill and intangible assets with indefinite useful lives allocated to the respective groups of CGUs. Goodwill arising on the acquisition of mono-brand stores from former franchise partners in previous fiscal years is allocated to the respective sales units (group of CGUs). Intangible assets with indefinite useful lives are aggregated at country level. The impairment test for trademark rights for the use of brand names in the U.S. and Italy is performed at country level.

(in EUR thousand)

	Carrying amount		Assumptions	
	Goodwill	Intangible assets with indefinite useful life	Weighted pre-tax WACC	Long-term growth rate
2025				
Sales unit France	1,759	0	11.7%	2.0%
Sales unit Italy	399	1,377	12.5%	2.0%
Sales unit United Kingdom	3,204	0	11.0%	2.0%
Sales unit Dubai	10,913	0	10.4%	2.0%
Sales unit Mainland China	8,524	0	12.3%	1.2%
Sales unit Macau (China)	6,097	0	10.7%	1.2%
Sales unit South Korea	5,564	0	11.2%	2.0%
Sales unit Thailand	1,708	0	11.5%	1.9%
Sales unit U.S. & Canada	3,168	13,615	11.9%	2.2%
Other sales & corporate units	10,779			
Total	52,115	14,992	10.4%–12.5%	1.2%–2.2%
2024				
Sales unit France	1,759	0	11.8%	2.0%
Sales unit Italy	399	1,377	12.9%	2.0%
Sales unit United Kingdom	3,217	0	11.3%	2.0%
Sales unit Dubai	11,672	0	11.0%	2.0%
Sales unit Mainland China	9,235	0	12.7%	2.0%
Sales unit Macau (China)	6,924	0	11.1%	2.0%
Sales unit South Korea	6,163	0	11.7%	2.0%
Sales unit Thailand	1,782	0	11.7%	1.8%
Sales unit U.S. & Canada	3,243	13,615	11.5%	2.2%
Other sales & corporate units	11,145			
Total	55,540	14,992	11.0%–12.9%	1.8%–2.2%

The recoverable amount of each group of CGUs is determined by value in use using cash flow projections based on the medium-term financial plans approved by the Managing Board and the Supervisory Board. Restructuring measures to which the Group has not committed to and investments not related to current operations that increase the profitability of the tested group of CGUs are not taken into account. Following the detailed planning phase, country-specific sales growth rates are used, which are based on nominal retail growth.

No impairment loss for goodwill was recognized in fiscal year 2025 as well as in the prior period.

For trademarks with indefinite useful lives, in addition to determining the value in use at the level of the respective CGU, the recoverable amount is determined in a second step on the basis of the fair value less costs of disposal at stage 3 of the measurement hierarchy under IFRS 13. This is based on a sales forecast for the respective market adopted by management as part of the budget process and approved by the

Supervisory Board. In addition, country-specific sales growth rates are used. Following the five-year detailed planning period, the planned sales are extrapolated using a growth rate corresponding to the long-term nominal retail growth of the respective markets.

In fiscal years 2025 and 2024, no impairment loss was incurred for the trademark rights with indefinite useful lives.

Key assumptions used to calculate the value in use and fair value less costs of disposal

The following key assumptions, estimation uncertainties, and judgments by Management underlie the calculation of the value in use and fair value less costs of disposal for the aforementioned assets:

- EBIT/net income
- Sustainable nominal retail growth
- Market rent levels
- Discount rates
- Expected useful life of DOS

Estimation of growth rates – Growth rates are generally derived from published industry-related market research based on country-specific nominal retail growth. These growth rates were implemented in the calculation of the value in use, particularly, in the detailed planning phase from 2026 onwards, and in the perpetual annuity.

Estimation of market rent values – Both internal and external lease data for comparable properties are used to derive the fair value of the rights-of-use.

Discount rates – The discount rates reflect current market assessments of the risks specific to each CGU. This takes into account the interest effect and the risks specific to the assets.

Useful life of DOS – The forecast period is based on the average remaining terms of the lease agreements, which are determined and reviewed on an annual basis.

Climate-related impacts – As part of its sustainability strategy, HUGO BOSS remains focused on five key pillars that actively address industry challenges: increasing circularity, driving digitization and data analytics, leveraging better natural materials, shifting to better polyester and polyamide, and reducing the climate impact. For additional information on climate-related measures, please refer to the Climate Change section in the Combined Non-Financial Statement. The Company's efforts to reduce climate-related impacts may lead to increased production and sourcing costs. However, anticipated efficiency gains along the value chain are expected to more than offset these additional costs. Throughout financial planning and product development, HUGO BOSS aligns target costing with macroeconomic developments as well as internal ambitions and sustainability targets. HUGO BOSS also has control mechanisms in place to track target achievements, and any corrective actions for improvement are taken.

Sensitivity to changes in assumptions

As of December 31, 2025, scenarios for critical measurement parameters such as the discount rate used and the growth rates underlying forecast cash flows were determined to verify the values in use. With regard to the growth rates, Management considered an acceleration (adjustment of +5%) as well as a deceleration (adjustment of -5%) of the Group's expected sales performance in fiscal year 2026 to be possible. An acceleration/increase in growth rates of 5% would result in a reversal of impairment losses for property, plant, and equipment and right-of-use assets in the amount of EUR 3,657 thousand. A slowdown/decrease in growth rates of 5% would result in additional impairments of EUR 4,497 thousand.

With regard to the market rent level, Management assumes that an adjustment of the market conditions both downward and upward by 5% in each case is conceivable. In the event of a reduction in the average market rent level by 5%, an additional impairment loss on right-of-use amounting to EUR 3,034 thousand would be recognized. In the event of a 5% increase in the market rent level, a reversal of impairment losses on right-of-use assets of EUR 35 thousand would be recognized.

In order to review the determined values in use of goodwill, Management considers a deceleration of the sales performance in 2026 as well as an average relative increase of the discount rate by 10% each to be possible. Furthermore, for the groups of CGUs to which goodwill is allocated, a slowdown of 15% in the relative sales growth to extrapolate the cash flow forecasts following the detailed planning period is considered possible.

If the discount rate was to increase by 10%, the values in use of all goodwill would exceed the respective carrying amounts, which are not completely impaired, as was already the case in the previous year.

If the sales development in 2026 were to decrease by 10%, the values in use of all goodwill would exceed the respective carrying amounts.

If the growth rate of sales were to be reduced by 15% in order to extrapolate the cash flow forecasts following the detailed planning period, the value in use of all goodwill would exceed the carrying amount, as was already the case in the previous year.

11 | Financial and other assets

(in EUR thousand)

	2025			2024		
		Thereof current	Thereof non-current		Thereof current	Thereof non-current
Financial assets	80,074	50,619	29,454	80,142	49,341	30,801
Thereof equity investments	8,665	0	8,665	5,911	0	5,911
Tax refund claims and prepayments	22,777	22,777	0	23,379	23,379	0
Other assets	108,078	107,667	411	112,924	112,319	606
Total	210,929	181,063	29,866	216,446	185,039	31,407

Financial assets include positive market values of currency hedges amounting to EUR 697 thousand (2024: EUR 1,892 thousand) as well as rent deposits for the Group's own retail stores of EUR 19,719 thousand (2024: EUR 19,541 thousand). Financial assets also include receivables from credit card companies amounting to EUR 39,199 thousand (2024: EUR 40,621 thousand).

The tax refund claims and tax prepayments are mostly VAT receivables.

Other assets mainly include prepayments for service agreements in the amount of EUR 56,619 thousand (2024: EUR 58,056 thousand), reimbursement claims from returns in the amount of EUR 26,786 thousand (2024: EUR 26,347 thousand), and receivables from supplier arrangements in the amount of EUR 660 thousand (2024: EUR 2,051 thousand).

In fiscal year 2025, HUGO BOSS continued its long-term strategic partnership with HeiQ AeonIQ LLC, a fully owned subsidiary of Swiss innovator HeiQ Plc, with an equity investment of EUR 4,430 thousand made in fiscal year 2022. Additionally, HUGO BOSS increased its investment in Collateral Good Ventures Fashion I, a climate-first venture capital fund that aims to accelerate sustainability in the fashion industry, to EUR 4,210 thousand (2024: EUR 1,376 thousand).

12 | Inventories

(in EUR thousand)

	2025	2024
Finished goods and merchandise	866,537	996,439
Raw materials and supplies	41,986	65,047
Work in progress	9,851	10,075
Total	918,374	1,071,561

The write-down on inventories amounted to EUR 61,898 thousand (2024: EUR 64,639 thousand). The movement in inventory impairment resulted in a net income of EUR 2,741 thousand (2024: net expense of EUR 6,042 thousand), which is included in the cost of sales.

13 | Trade receivables

(in EUR thousand)

	2025	2024
Trade receivables, gross	413,860	384,791
Accumulated allowance	(27,842)	(22,885)
Trade receivables, net	386,018	361,906

As of December 31, 2025, the aging analysis of trade receivables is as follows:

(in EUR thousand)

	2025			2024		
	Trade receivables, gross	Accumulated allowance	Trade receivables, net	Trade receivables, gross	Accumulated allowance	Trade receivables, net
Total	413,860	(27,842)	386,018	384,791	(22,885)	361,906
Thereof: not overdue	336,326	(2,870)	333,456	318,128	(2,534)	315,593
Thereof: overdue	61,734	(9,803)	51,931	56,235	(10,609)	45,626
1 to 90 days	35,286	(2,130)	33,156	28,121	(2,681)	25,440
91 to 180 days	8,005	(1,239)	6,765	12,305	(1,761)	10,544
>180 days	18,443	(6,434)	12,009	15,809	(6,167)	9,642
Thereof: impaired	15,800	(15,169)	632	10,429	(9,742)	686

Trade receivables are non-interest-bearing. The movement of allowances for doubtful accounts has developed as follows:

(in EUR thousand)

	2025	2024
Allowances for doubtful accounts as of January 1	22,885	17,595
Additions	12,547	9,796
Use	(3,107)	(1,144)
Release	(3,481)	(3,695)
Currency differences	(1,003)	334
Allowances for doubtful accounts as of December 31	27,842	22,885

The maximum credit risk from trade receivables corresponding to their gross value is EUR 413,860 thousand (2024: EUR 384,791 thousand) as of the reporting date.

Expected credit losses on trade receivables were recognized in accordance with IFRS 9. In fiscal year 2025, this amounted to EUR 27,842 thousand (2024: EUR 22,885 thousand), of which EUR 12,547 thousand (2024: EUR 9,796 thousand) was added during the course of the year. As of December 31, 2025, receivables written off in the amount of EUR 9,017 thousand (2024: EUR 7,286 thousand) were still subject to recovery measures.

Any expenses and income from allowances on trade receivables are reported under selling and marketing expenses.

In the event of a deterioration of the financial position of wholesale customers and concession partners, the amounts actually derecognized can exceed the bad debt allowances already recognized, which can have an adverse impact on the results of operations.

Pursuant to the general terms and conditions for sales, ownership of the goods supplied is transferred to wholesale partners upon complete payment of all receivables. No collateral has been provided in the Group for individual receivables. Receivables from wholesale customers in respect of whose assets insolvency proceedings have been initiated are evaluated on a case-to-case basis and impaired to the expected receivable recovery amount.

14 | Cash and cash equivalents

(in EUR thousand)

	2025	2024
Balances with banks and other cash items	333,813	200,553
Cheques	3	2
Cash on hand	9,311	10,067
Total	343,126	210,622

15 | Equity

Equity is made up of subscribed capital, own shares, capital reserve, other capital reserves, retained earnings, and accumulated other comprehensive income. Retained earnings contain profits that were generated in the past by entities included in the consolidated financial statements and effects from the revaluation of pension provisions. Accumulated other comprehensive income contains the differences arising from translation outside profit and loss of the foreign currencies used for the financial statements of foreign subsidiaries as well as the effects of the measurement outside profit and loss of cash flow hedges after tax.

Subscribed capital

The fully paid-in share capital of HUGO BOSS AG remains unchanged at EUR 70,400 thousand as of December 31, 2025 and consists of 70,400,000 no-par value registered ordinary shares. The arithmetical value per share is EUR 1.00.

Authorized capital

The Managing Board of HUGO BOSS AG may, with the consent of the Supervisory Board, increase the share capital by up to EUR 14,080 thousand on or before May 14, 2030 by issuing up to 14,080,000 new registered shares on a cash and/or non-cash basis once or repeatedly (authorized capital 2025). The shareholders are generally entitled to a subscription right. However, the Managing Board is authorized, with the consent of the Supervisory Board, to exclude shareholders' subscription rights in full or in part in the cases specified in Article 4 paragraph 4 of the Articles of Association.

Conditional capital

By resolution of the Annual General Meeting of May 15, 2025, the Managing Board was authorized until May 14, 2030, with the consent of the Supervisory Board, to issue bearer or registered convertible bonds and/or bonds with warrants, profit participation rights, and/or participating bonds (or combinations of these instruments) with or without maturity restrictions in a total nominal amount of up to EUR 800,000 thousand, once or several times, also simultaneously in different tranches.

In this context, the share capital was conditionally increased by up to EUR 14,080 thousand by issuing up to 14,080,000 new registered no-par value shares (conditional capital 2025). The conditional capital increase will only be carried out to the extent that the holders or creditors make use of conversion/option rights from the bonds or fulfil conversion/option obligations or shares are tendered and no other forms of fulfillment are used for servicing. The Managing Board did not make use of the authorization in fiscal year 2025.

Capital management

In order to increase its enterprise value, the Group focuses on maximizing free cash flow over the long term. By consistently generating positive free cash flow, the Group is confident of safeguarding the liquidity of HUGO BOSS at all times, enabling appropriate levels of investment and thereby facilitating the long-term growth of the business. Increasing sales on a currency-adjusted basis and increasing operating profit (EBIT) is key to improving free cash flow over the long term. In addition, strict management of trade net working capital (TNWC) and a value-oriented capital expenditure approach support the development of free cash flow.

HUGO BOSS is confident to generate strong free cash flow also in the future. This is to be supported by strict management of TNWC and the efficient use of capital expenditure. Free cash flow will either be reinvested into the Company or distributed to shareholders. In this context, HUGO BOSS plans to buy back shares in an amount of up to EUR 200 million until December 31, 2027. At the same time, HUGO BOSS will continue to further strengthen its balance sheet over the coming years. In this context, HUGO BOSS analyzes its balance sheet structure at least once a year to determine its efficiency and ability to support future growth and to simultaneously provide sufficient safety if the Company's business performance falls short of expectations. At the end of fiscal year 2025, HUGO BOSS holds two investment-grade ratings from Standard & Poor's (BBB-) and Moody's (Baa2), underscoring the rating agencies' positive assessment of the Company's financial strength. At the same time, the Company will also preserve the strategic flexibility needed to pursue selective, value-accretive M&A opportunities.

In December 2025, HUGO BOSS renegotiated the revolving syndicated loan facility of EUR 600,000 thousand, providing further financial flexibility to support the execution of the Company's strategic initiatives. The facility is available for general corporate purposes. It has a five-year term and includes two one-year extension options, as well as an option to increase the credit volume by up to EUR 300,000 thousand. Compared to the prior facility, the new loan no longer includes financial covenants, enhancing flexibility. It is based on variable interest rates, with applicable credit margins linked to the external credit rating and the achievement of predefined ESG criteria. As of December 31, 2025, the utilization of the revolving credit facility totaled EUR 8,128 thousand of which EUR 8,128 thousand was used to issue bank guarantees (December 31, 2024: utilization of EUR 11,390 thousand of which EUR 11,390 thousand was used to issue bank guarantees).

(in EUR thousand)

	2025	2024
Liabilities due to banks incl. lease liabilities	1,182,029	1,248,210
Cash and cash equivalents	(343,126)	(210,622)
Net financial liabilities	838,903	1,037,588
Operating profit before depreciation and amortization (EBITDA)	781,633	775,027
Total leverage	1.07	1.34

Own shares

As of December 2025, the number of own shares amounts to 1,383,833 (2024: 1,383,833), representing 2.0% of the subscribed capital (2024: 2.0%).

At the Annual General Meeting 2025, HUGO BOSS was granted a renewed authorization to buy back the Company's own shares up to a proportion of 10% of the existing share capital on or before May 14, 2030. The Company did not make use of this authorization as of December 31, 2025.

16 | Dividend

Supported by the Company's robust fundamentals, including strong free cash flow generation and a solid balance sheet, and reflecting Management's confidence in the future development of HUGO BOSS, the Managing Board has decided to launch a share buyback program, further strengthening shareholder value creation. Until December 31, 2027, HUGO BOSS plans to buy back shares in an amount of up to EUR 200 million. The share buyback shall be financed through the Company's continued free cash flow generation, with HUGO BOSS intending to cancel the repurchased shares. At the same time, HUGO BOSS remains fully committed to preserving the financial flexibility required to consistently execute its strategy, invest in future growth, and further strengthen its balance sheet amid an ongoing volatile environment. In this context, and reflecting a disciplined capital allocation approach, the Managing Board and the Supervisory Board intend to propose to the Annual General Meeting on May 21, 2026, to only pay the legal minimum dividend of EUR 0.04 per share for fiscal year 2025 (2024: EUR 1.40).

In 2025, a dividend of EUR 96,623 thousand was paid out for the shares outstanding for fiscal year 2024 (in 2024 for 2023: EUR 93,172 thousand). This corresponds to EUR 1.40 per share for 2024 (2023: EUR 1.35 per share).

17 | Provisions

(in EUR thousand)

	2025	2024
Provisions for pensions	26,420	34,994
Other non-current provisions	63,477	64,851
Non-current provisions	89,897	99,845
Current provisions	76,173	68,430
Total	166,070	168,275

Other provisions of EUR 139,650 thousand (2024: EUR 133,281 thousand) comprise current provisions of EUR 76,173 thousand (2024: EUR 68,430 thousand) and other non-current provisions of EUR 63,477 thousand (2024: EUR 64,851 thousand). These mainly include non-current provisions for personnel expenses in connection with the Long-Term Incentive Program (LTI), with further details provided in Note 18 Share-based payment. The risk-free interest rates used to discount other non-current provisions range between 0.3% and 4.9% (2024: between 0.3% and 5.5%) depending on the term and currency in question. In fiscal year 2025, other provisions developed as follows:

(in EUR thousand)

	Balance on Jan. 1, 2025	Changes in currency and basis of consolidation	Compounding	Addition	Use	Release	Balance on Dec. 31, 2025
Provisions for personnel expenses	83,598	(1,478)	303	60,107	(45,278)	(6,011)	91,240
Provisions for deconstruction obligations	29,675	(1,706)	244	3,827	(916)	(1,434)	29,689
Costs of litigation, pending legal disputes	7,432	(789)	0	761	(1,583)	(170)	5,652
Provisions for restructuring	1,085	1	0	455	(362)	(330)	849
Other provisions	11,491	(12)	0	3,559	(2,191)	(627)	12,219
Total	133,281	(3,984)	547	68,710	(50,331)	(8,573)	139,650

Provisions for personnel expenses

The provisions for personnel expenses mainly concern the provisions for short- and medium-term profit sharing and bonuses, severance payment claims, phased retirement arrangements, and overtime.

It is expected that EUR 32,847 thousand (2024: EUR 34,949 thousand) of the personnel provisions will be paid out after more than twelve months.

Provisions for deconstruction obligations

Non-current provisions for deconstruction obligations relate to the Group's own retail stores, warehouses, and office space used by the Group companies. They are recognized on the basis of the expected settlement amounts and the rental period agreed upon. Estimates are made in terms of the cost as well as the actual timing of the utilization.

Provisions for costs of litigation and pending legal disputes

The provisions for costs of litigation and pending legal disputes include various, individually immaterial ongoing litigations as well as litigation costs for the protection of brand rights. These provisions are classified as current.

Miscellaneous other provisions

Based on reasonable estimates, provisions are recognized for the potential ramifications of legal issues. Such an assessment also takes into account the estimation of local, external experts such as lawyers and tax advisors. Any deviations between the original estimates and the actual outcome can impact the Group's net assets, financial position, and results of operations in the given period.

18 | Share-based payment

Restricted Stock Units 2022–2025

The Restricted Stock Units Plan (RSUP) as introduced by HUGO BOSS in 2022 expired as of June 30, 2025. As part of the plan, eligible senior management was granted options to purchase ordinary shares of HUGO BOSS. The vesting period was three years. Options would be forfeited if the employee left the Group before vesting.

The options were initially recognized at a price equal to the quoted market price of the HUGO BOSS shares at the grant date. In the event of changes in the group of eligible senior management, the fair values were reviewed.

Upon expiry, Management decided to make use of the option to settle the plan via a cash payout. Resulting from applying the average share price of the vesting months, the estimated fair values of the options granted totaled EUR 6,091 thousand (2024: EUR 7,567 thousand). As such, a net income of EUR 186 thousand was recognized in profit and loss (2024: expense of EUR 2,569 thousand). As of December 31, 2025, there are no share options outstanding (2024: 159,890).

Cash-settled share-based payment

A large part of the long-term provisions for personnel expenses consists of the Company's Long-Term Incentive Program (LTI). The LTI serves as a long-term share-based compensation component for the Managing Board and eligible senior and middle management staff of HUGO BOSS. As of December 31, 2025, there are four tranches in the LTI:

- 2022–2025 LTI tranche (issued on January 1, 2022)
- 2023–2026 LTI tranche (issued on January 1, 2023)
- 2024–2027 LTI tranche (issued on January 1, 2024)
- 2025–2028 LTI tranche (issued on January 1, 2025)

Each plan has a total duration of four years, split into a performance term of three years and a qualifying period of one year. The plan participant receives an individual number of virtual shares, the so-called "performance shares" (initial grant), at the beginning of the performance term, calculated by dividing the individual LTI budget in euros by the average HUGO BOSS share price over the three months preceding the grant date. The number of virtual shares issued as of December 31, 2025, and the remaining terms of each plan are as follows:

LTI tranche	Number of virtual shares (Initial Grant)	Remaining terms
2022–2025	202,866	0 years
2023–2026	241,319	1 year
2024–2027	230,946	2 years
2025–2028	376,935	3 years

The final entitlement of the plan participants under the LTIs described above, depends on the individual number of performance shares (initial grant), the achievement of predefined target components applicable to these LTIs, namely relative total shareholder return (RTSR), return on capital employed (ROCE), the degree of employee satisfaction, and the score in the annual Corporate Sustainability Assessment (CSA)/Dow Jones Sustainability Index (DJSI), as well as the average HUGO BOSS share price over the last three months of the qualifying period. A detailed explanation of the individual target components can be found in the Compensation Report as part of this Annual Report.

The final entitlement is paid out in cash no later than six weeks after the resolution has been passed by the management of HUGO BOSS regarding the confirmation of the annual financial statement for the corresponding fiscal years 2025, 2026, 2027, and 2028, respectively. Accordingly, the LTI tranche 2022–2025 will be paid out in fiscal year 2026.

The LTI is to be classified as a share-based cash-settled compensation and is therefore accounted for pursuant to the standards of IFRS 2. The expected entitlement of a plan participant is the basis for the calculation of a long-term personnel provision recognized on a pro-rata basis over the term of the respective plans and re-evaluated on each reporting date. The amount of the entitlement and the provision are evaluated using a Monte Carlo simulation, considering the expected degree of attainment of the individual target components

listed above, as well as the fair value per share option/performance shares (expected HUGO BOSS share price at the end of the period). The fair value of the performance shares is calculated by an external expert using an option pricing model. The fair values for the four plans as of December 31, 2025, as compared to the previous year, are as follows:

LTI tranche	Fair values per share option 2025	Fair values per share option 2024
2022–2025	EUR 54.83	EUR 60.89
2023–2026	EUR 40.82	EUR 49.89
2024–2027	EUR 29.08	EUR 38.73
2025–2028	EUR 36.70	n/a

The fair value measurement for the respective plans is based on the following parameters:

	2025	2024
HUGO BOSS share price at reporting date in EUR	36.15	44.78
Expected dividend return in %	3.00	2.00
Expected volatility in %	31.63	31.97
Risk free interest rate in % (LTI tranche 2022–2025)	n/a	2.18
Risk free interest rate in % (LTI tranche 2023–2026)	2.03	1.98
Risk free interest rate in % (LTI tranche 2024–2027)	2.13	1.95
Risk free interest rate in % (LTI tranche 2025–2028)	2.24	n/a

As of December 31, 2025, four tranches totaling EUR 25,328 thousand (2024: EUR 41,588 thousand) were recognized as provisions. A total expense for cash-settled share-based payment pursuant to IFRS 2 of EUR 7,465 thousand was recognized in personnel expenses in fiscal year 2025 (2024: EUR 10,475 thousand).

CEO Investment Opportunity

Prior to Daniel Grieder assuming his duties, the CEO Investment Opportunity was agreed between Daniel Grieder and the Marzotto family and is intended to provide an additional incentive for a substantial and sustainable increase in the share price of HUGO BOSS. The arrangement runs for the duration of his service agreement and was correspondingly extended in connection with the renewal of his service agreement in March 2024, under which Daniel Grieder was appointed Chairman of the Managing Board and CEO of HUGO BOSS AG until December 31, 2028. As such, the CEO Investment Opportunity represents a third-party agreement between Daniel Grieder and the Marzotto family and is thus explicitly not part of the compensation system in accordance with Sec. 87a AktG. Therefore, it is also not to be included in the maximum compensation of Daniel Grieder.

No conflicts of interest existing

The Supervisory Board discussed the CEO Investment Opportunity at a plenary meeting on June 16, 2020, and noted it with approval. In the opinion of the Supervisory Board, there are no conflicts of interest, particularly in regard to any other shareholder of HUGO BOSS, arising from the CEO Investment Opportunity as it is directly and solely tied to the long-term share price performance of HUGO BOSS. Ultimately, all shareholders in HUGO BOSS benefit from a sustainable increase in the share price.

Sustainable increase in share price required

The CEO Investment Opportunity was implemented by setting up an investment vehicle titled ZPG HOLDING S.à.r.l. ("ZPG"). ZPG bought 625,000 HUGO BOSS shares in mid-2021 for an average share price of EUR 46.40 and will hold these shares until the occurrence of a so-called liquidity event. In this context, Daniel Grieder invested a total amount of EUR 1.5 million in ordinary shares in ZPG, with the rest of the investment provided by PFC S.p.A. and Zignago Holding S.p.A., each controlled by the Marzotto family, and a third-party bank financing. PFC S.p.A. and Zignago Holding S.p.A. hold the remainder of ordinary shares and certain preference shares, with limited economic rights ranking senior to the ordinary shares. Liquidity events are the exercise of a call option by ZPG, the exercise of a put option by Daniel Grieder, or ZPG selling the HUGO BOSS shares to a third party.

The call option may be exercised by ZPG either in the event that Daniel Grieder leaves HUGO BOSS or in a period of 120 days following the ordinary expiration of his employment contract with HUGO BOSS. If the call option is exercised based on a reason for which Daniel Grieder is responsible (e.g., termination by Daniel Grieder not based on good cause), he will receive the lower of either the fair market value of his ZPG shares or the amount of his initial investment. If the call option is exercised without Daniel Grieder having given cause for it (e.g., termination by HUGO BOSS not based on good cause), he will receive the fair market value of his ZPG shares.

The put option may be exercised by Daniel Grieder once the average HUGO BOSS share price during a period of 120 days exceeds specific thresholds. The minimum share price required for exercising the put option is EUR 75.10, representing an increase of 62% compared to the average purchase price of HUGO BOSS shares (EUR 46.40) and a 108% increase compared to the share price of HUGO BOSS as of December 30, 2025. The consideration, both in the event of exercising the put option or in case ZPG sells its HUGO BOSS shares to a third party, is the fair market value of the ZPG shares held by Daniel Grieder.

The fair market value of the ZPG shares held by Daniel Grieder is linked to the difference between the average purchase price of HUGO BOSS shares (EUR 46.40) and the average share price of HUGO BOSS shares during the 120 days prior to the liquidity event. If the average share price of HUGO BOSS during the 120 days prior to the liquidity event ranges between EUR 46.40 and EUR 75.00, Daniel Grieder will receive back the contributed amount of EUR 1.5 million. If the average share price during the 120 days prior to the liquidity event is less than EUR 46.40, the amount will be correspondingly lower depending on the average share price. By contrast, if the average share price during the 120 days prior to the liquidity event is EUR 75.10 or higher, the fair market value of the ZPG shares held by Daniel Grieder increases depending on the share price performance of HUGO BOSS. For example, an average share price of EUR 75.10 would result in a fair market value of EUR 7.1 million, an average share price of EUR 100.00 in a fair market value of EUR 14.8 million, and an average share price of EUR 126.00 in a fair market value of EUR 23.6 million.

Liquidity event not occurred as of year-end 2025

Against the backdrop of the challenging and volatile trading environment for consumer discretionary stocks in 2025, the share price of HUGO BOSS fluctuated between EUR 31.90 and EUR 46.56 throughout the fiscal year. As of December 30, 2025, the share price of HUGO BOSS was EUR 36.15 and thus well below the minimum threshold of EUR 75.10 required to exercise the put option. Consequently, as of the end of fiscal year 2025, there were no conditions in place that could have caused a potential liquidity event. Also, since the CEO investment opportunity was established, the average share price of HUGO BOSS has never reached the minimum threshold of EUR 75.10 over a consecutive 120-day period, thereby preventing the exercise of the put option.

As of the grant date, the fair value was closely aligned with the nominal value of the co-investment shares acquired by the CEO, along with no changes to the vesting conditions in fiscal year 2025, it is concluded not to result in any expenses according to the accounting implications under IFRS 2.

19 | Provisions for pensions and similar obligations

Provisions for pensions are recognized for obligations from future and current post-employment benefits to eligible current and former employees. The benefits agreed under the pension plans depend for the most part on the length of service of the eligible employee. In general, company pension plans are classified into two types of plans: defined contribution plans and defined benefit plans. At HUGO BOSS, most of the plans are defined benefit plans. In fiscal year 2025, the main defined benefit plans were granted in Germany and Switzerland. The characteristics of these plans are described in the following.

Defined benefit plans

Germany

Since fiscal year 2014, there have only been direct pension obligations in Germany. A distinction is also made between general and individually agreed benefits. Under the general benefits granted, each employee who joined the Company prior to July 1, 2012, is entitled to benefits from Company pension plans. Employees who first receive benefits under the plan upon reaching the age of 50 or who have temporary employment agreements are excluded. Benefits comprise a post-employment benefit in the form of an old-age pension, an early-retirement benefit, a disability benefit, or a surviving dependents' benefit in the form of a dependent child benefit.

Individually agreed benefits are only granted to active and former members of the Managing Board. Benefits can take the form of a post-employment benefit as an old-age pension or disability annuity and take the form of a surviving dependents' benefit as a surviving spouse or dependent child benefit. All active members of the Managing Board have received pension commitments that are regulated in individual contracts and the amounts of which are measured as a percentage of the contractually agreed pensionable income depending on their duration of membership of the Managing Board. The basis for determining the pensionable income is defined as the base salary under the employment contract. For Managing Board members this takes the form of a defined benefit. The Group pays an annual pension contribution into a reinsurance contract for the life of the Managing Board member. This corresponds to 30%–40% of the pensionable compensation, which is calculated on the basis of the basic salary in accordance with the employment contract. This form of pension commitment will also be used for future appointments to the Managing Board.

In addition, HUGO BOSS offers the Managing Board and senior management the opportunity to acquire additional pension benefits through salary conversions ("deferred compensation agreements"). This additional pension can be granted in the form of retirement benefits, optionally in the form of occupational disability benefits and/or surviving dependents' benefits and/or in the form of a lump-sum payment in the event of death. The pension benefits are paid as a monthly pension, whereby surviving dependents' benefits can also be granted as a lump sum.

In Germany, the Company pension plan for individually agreed benefits and deferred compensation agreements is funded by plan assets for which there is an employer's pension liability insurance, which is a qualifying insurance policy within the meaning of IAS 19.8 in conjunction with IAS 19.113 et seq. The assets concerned can be classified as non-marketable assets. Employer's pension liability insurance has not been taken out for general benefits granted.

Switzerland

In Switzerland, employee pension plans must be allocated to a pension fund that is separate from the employer. BVG ["Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge": The Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans] imposes minimum benefits. HUGO BOSS uses a collective foundation to provide for its employees against the economic consequences of old age, disability, and death. Under this model, the foundation assets are the plan assets. The board of trustees of the collective foundation is responsible for the investment policy; at present the majority of plan assets are invested in fixed-interest securities such as sovereign bonds. The supreme governing body of the collective foundation comprises an equal number of employer and employee representatives. The plans are financed by employer and employee contributions, which are defined as a percentage of the insured wage. The old-age pension is calculated as the retirement assets accumulated upon reaching a pensionable age multiplied by the conversion rates specified in the fund regulations. Employees can opt to receive their pension benefits as a lump-sum payment from the retirement assets. The benefit payments under the Swiss plans encompass old-age pensions, disability benefits, and surviving dependents' benefits. The collective foundation can change its financing system (contributions and future benefits) at any time. In addition, the collective foundation can terminate the affiliation agreement with HUGO BOSS; in such an event, the latter would have to join another welfare fund. Depending on the conditions of the affiliation agreement and the current partial liquidation rules, a deficit and the risks of increasing life expectancy (current pensions) can be transferred.

The pension obligations breakdown is as follows:

(in EUR thousand)

	Present value of the defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
	2025	2024	2025	2024	2025	2024
Germany	67,648	75,951	64,326	71,661	3,322	4,289
Switzerland	71,439	66,864	63,775	55,746	7,664	11,119
Others ¹	15,434	19,586	0	0	15,434	19,586
Total	154,521	162,401	128,101	127,407	26,420	34,994

¹ Additional defined benefit plans are in place in Austria, France, Italy, Mexico, and Turkey.

The amount of the pension obligations was determined using actuarial methods in accordance with IAS 19 "Employee Benefits."

The fair value of plan assets includes only assets held through reinsurance policies in Germany and assets held exclusively by insurance companies in Switzerland.

In fiscal year 2025, the funding status of benefit obligations pursuant to IAS 19 was as follows:

(in EUR thousand)		
	2025	2024
Change in present value of benefit obligation		
Present value of benefit obligation as of January 1	162,401	168,484
Currency differences	(3,144)	(2,525)
Service cost	7,306	6,798
Interest expense	6,238	6,832
Payments from settlements	(59)	(12)
Remeasurement of the carrying amount		
Actuarial gains/losses due to changes in financial assumptions	(8,767)	428
Actuarial gains/losses due to changes in demographic assumptions	(18)	(395)
Actuarial gains/losses due to experience adjustments	909	5,214
Benefits paid	(13,548)	(26,117)
Contribution by participants of the plan	3,144	3,490
Past service cost	0	0
Other changes in benefit obligation	58	204
Present value of benefit obligation as of December 31	154,521	162,401
Changes in plan assets		
Fair value of plan assets as of January 1	127,407	135,342
Currency differences	597	(839)
Expected return on plan assets	3,144	3,925
Expected return on plan assets (without interest income)	(574)	3,252
Payments from settlements	0	0
Benefits paid	(10,077)	(22,096)
Contribution by the employer	4,460	4,333
Contribution by participants of the plan	3,144	3,490
Other changes in benefit obligation	0	0
Fair value of plan assets as of December 31	128,101	127,407
Funding status of the benefits funded by plan assets	26,420	34,994

As of December 31, 2025, EUR 65,809 thousand (2024: EUR 74,058 thousand) of the present value of the defined benefit obligation is financed through employer's pension liability insurance and EUR 71,439 thousand (2024: EUR 66,864 thousand) through foundation assets, while the remaining EUR 17,272 thousand (2024: EUR 21,479 thousand) was unfunded.

Actuarial assumptions underlying the calculation of the present value of the pension obligations as of December 31, 2025

Discretion is exercised to the extent that the expense from benefit-based plans is determined based on actuarial calculations. This involves making assumptions about discount rates, future wage and salary increases, mortality rates, and future pension increases. The discount rates used are based on the market yields of high-quality, fixed-interest corporate bonds.

The following premises were defined:

Actuarial assumptions	2025	2024
Discount rate		
Germany	4.15%	3.55%
Switzerland	1.15%	1.10%
Future pension increases		
Germany	2.00%	2.00%
Switzerland	0.00%	0.00%
Future salary increases		
Germany	3.00%	3.00%
Switzerland	3.00%	3.00%

Pension benefits in Germany are determined on the basis of biometric principles in accordance with the Heubeck 2018 G mortality tables. The BVG 2020 mortality tables are used to measure the obligations of Swiss companies.

Sensitivity analysis of key actuarial assumptions

HUGO BOSS is exposed to special risks in connection with the aforementioned defined benefit plans. The funding status of pension obligations is influenced by both changes in the present value of the defined benefit obligations and changes in the fair value of plan assets. These are determined using actuarial methods that make assumptions concerning discount rates, future pension increases, future wage and salary increases, and mortality rates. Future deviations between actual conditions and the underlying assumptions can lead to an increase or a decrease in the present value of the defined benefit obligations or the fair value of plan assets.

In addition, future amendments to the accounting standards governing the accounting treatment of pension obligations can affect the pertinent items of net assets, financial position, and results of operations.

A change in the key actuarial parameters according to the scenarios presented below has the effects presented in the table below on the present value of the pension obligations as of December 31, 2025.

When conducting the sensitivity analysis, each parameter was altered ceteris paribus and not in combination with changes in other assumptions, thus excluding interdependencies between parameters. In addition, only ranges of values deemed to be reasonably plausible up to the date of preparing the next set of consolidated financial statements were selected.

(in EUR thousand)		
Change in present value of the pension obligations	2025	2024
Discount rate December 31		
Increase of 75 basis points	(12,297)	(13,674)
Decline of 75 basis points	14,846	16,441
Future pension increases December 31		
Increase of 25 basis points	3,589	3,608
Decline of 25 basis points	(1,584)	(1,951)
Future salary increases December 31		
Increase of 50 basis points	1,417	1,540
Decline of 50 basis points	(858)	(1,440)
Life expectancy December 31		
Increase of 10 percent	(2,817)	(3,450)
Decline of 10 percent	3,251	3,404

Breakdown of the pension expenses in the period

The pension expenses of the period are composed of the following items:

(in EUR thousand)		
	2025	2024
Current service costs	7,306	6,798
Past service costs	0	0
Net interest costs	3,094	2,907
Recognized pension expenses in the Consolidated Income Statement	10,400	9,705
Expense from plan assets (without interest effects)	574	(3,252)
Recognized actuarial (gains)/losses	(7,875)	5,247
Recognized remeasurement of the carrying amount in the Consolidated Statement of Comprehensive Income	(7,301)	1,995

The net interest expense is calculated by multiplying the net pension obligation by the discount rate underlying the measurement of the defined benefit obligation (DBO).

In case of deferred compensation commitments, current service cost is only incurred in the year of deferral. An increase in the service rendered does not increase the benefits granted.

For fiscal year 2025, the Group expects employer contributions to plan assets of EUR 4,916 thousand (2024: EUR 4,886 thousand).

Duration

The duration of the benefit-based plans on December 31, 2025, is 14 years for Germany (2024: 14 years) and 18 years for Switzerland (2024: 18 years).

Defined contribution plans

Employer contributions to contribution-based plans totaled EUR 34,815 thousand in fiscal year 2025 (2024: EUR 35,855 thousand) and are reported under personnel expenses. The main contribution-based plan of HUGO BOSS is in Germany. The contribution-based plans receive the contributions to statutory pension insurance and the employer's contribution to employer-funded direct insurance in Germany.

20 | Financial liabilities

All interest-bearing and non-interest-bearing financial obligations as of the respective reporting date are reported under financial liabilities. They are broken down as follows:

(in EUR thousand)

	2025	With remaining term up to 1 year	2024	With remaining term up to 1 year
Financial liabilities due to banks	295,135	92,622	289,029	12,621
Lease liabilities	886,895	198,683	959,181	228,221
Other financial liabilities	636	636	7,789	7,789
Total	1,182,665	291,941	1,255,999	248,631

Other financial liabilities include negative market values from derivative financial instruments amounting to EUR 636 thousand (2024: EUR 1,369 thousand).

The following tables show the terms and conditions of financial liabilities:

Remaining term	2025		2024	
	Weighted average interest rate	Carrying amount in EUR thous.	Weighted average interest rate	Carrying amount in EUR thous.
Financial liabilities due to banks				
Up to 1 year	3.72%	92,622	1.72%	12,621
1 to 5 years	4.58%	184,620	5.02%	253,522
More than 5 years	3.06%	17,892	2.98%	22,886
Other financial liabilities				
Up to 1 year	0.00%	636	0.00%	7,789
1 to 5 years	0.00%	0	0.00%	0
More than 5 years	0.00%	0	0.00%	0

In December 2025, HUGO BOSS renegotiated the revolving syndicated loan facility of EUR 600,000 thousand, providing further financial flexibility to support the execution of the Company's strategic initiatives. The facility is available for general corporate purposes. It has a five-year term and includes two one-year extension options, as well as an option to increase the credit volume by up to EUR 300,000 thousand. Compared to the prior facility, the new loan no longer includes financial covenants, enhancing flexibility. It is based on variable interest rates, with applicable credit margins linked to the external credit rating and the achievement of predefined ESG criteria.

As of December 31, 2025, the utilization of the revolving credit facility totaled EUR 8,128 thousand, of which EUR 8,128 thousand was used to issue bank guarantees (December 31, 2024: utilization of EUR 11,390 thousand of which EUR 11,390 thousand was used to issue bank guarantees).

In May 2025, HUGO BOSS successfully established a commercial paper (CP) program, enabling the Group to issue short-term, unsecured notes in an aggregate amount of up to EUR 500,000 thousand. Commercial papers can be issued in various currencies, and the funds raised are intended for general corporate purposes. Issuances will be made through HUGO BOSS International B.V. and are fully guaranteed by HUGO BOSS AG. As of December 31, 2025, HUGO BOSS International B.V. has not emitted any commercial papers.

In fiscal year 2024, HUGO BOSS secured real estate financing in the amount of EUR 43,000 thousand for the expansion of its headquarters in Metzingen, Germany, with a maturity period of ten years. As of December 31, 2025, the outstanding principal amount totaled EUR 41,889 thousand.

In fiscal year 2023, a Schuldschein loan was recognized at a settlement amount of EUR 175,000 thousand. It is divided into four tranches with different maturities and with floating-rate or fixed-rate coupons:

- two tranches totaled EUR 87,500 thousand maturing in October 2026, and
- two tranches totaled EUR 87,500 thousand maturing in October 2028.

The funds were used for general corporate purposes. Directly attributable transaction costs of EUR 451 thousand were incurred in connection with the issuance of the Schuldschein loan. These were deducted from the fair value on initial recognition and are expensed over subsequent periods.

The following table shows the contractually agreed undiscounted cash flows for non-derivative financial liabilities and for derivative financial instruments with a negative fair value:

(in EUR thousand)

2025	Expected cash flows				
	Carrying amount	Total cash flows	<1 year	1-5 years	>5 years
Non-derivative financial liabilities					
Financial liabilities due to banks	295,135	296,578	111,118	166,476	18,984
Lease liabilities	886,895	992,631	227,512	553,855	211,264
Other financial liabilities	0	0	0	0	0
Derivative financial liabilities					
Undesignated derivatives	636	80,754	80,754	0	0
Total	1,182,665	1,369,963	419,384	720,331	230,248
2024					
Non-derivative financial liabilities					
Financial liabilities due to banks	289,029	296,453	30,663	241,164	24,625
Lease liabilities	959,181	1,074,083	258,440	585,043	230,601
Other financial liabilities	6,420	6,420	6,420	0	0
Derivative financial liabilities					
Undesignated derivatives	1,369	173,324	173,324	0	0
Total	1,255,999	1,550,280	468,847	826,207	255,226

21 | Other liabilities

(in EUR thousand)

	2025			2024		
	Total	Current	Non-current	Total	Current	Non-current
Other liabilities	223,535	219,018	4,517	239,105	236,590	2,516
Thereof indirect taxes	75,071	75,071	0	75,222	75,222	0
Thereof social security, accrued vacation, wages and salaries	51,633	51,633	0	64,519	64,519	0
Thereof right of return	53,372	53,372	0	53,316	53,316	0

The obligations arising from rights of return are calculated on the basis of historical return rates.

22 | Additional disclosures on financial instruments

Carrying amounts and fair values by category of financial instruments

(in EUR thousand)

Assets	IFRS 9 category	2025		2024	
		Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	AC	343,126	343,126	210,622	210,622
Trade receivables	AC	386,018	386,018	361,906	361,906
Financial assets		80,074	80,074	80,142	80,142
Thereof:					
Equity investments	FVTPL	8,665	8,665	5,911	5,911
Undesignated derivatives	FVTPL	697	697	1,892	1,892
Other financial assets	AC	70,712	70,712	72,339	72,339
Liabilities					
Financial liabilities due to banks	AC	295,135	297,603	289,029	292,012
Trade and other payables	AC	529,062	529,062	642,740	642,740
Thereof reverse factoring	AC	109,754	109,754	148,491	148,491
Lease liabilities	n.a.	886,895	886,895	959,181	959,181
Other financial liabilities		636	636	7,789	7,789
Thereof:					
Undesignated derivatives	FVTPL	636	636	1,369	1,369

HUGO BOSS has implemented supplier financing programs to support its suppliers. Under these programs, outstanding trade payables can be settled with the supplier before maturity via the use of a credit institution. In this context, the credit institution pays the invoice amount less a discount to the supplier earlier, whereas HUGO BOSS pays the full invoice amount when due to the credit institution. As the original liability owed to the supplier remains the same on the basis of an unchanged acknowledgement of debt, the nature of the trade payables is assessed to remain unaffected. HUGO BOSS has included the amounts from the supplier financing programs in working capital. Payment due dates for suppliers under the programs range from 60 to 100 days, in line with industry standards. These payment terms apply consistently to trade payables subject to, or not subject to, the supplier financing programs. There were no significant non-cash changes in the carrying amount of trade payables subject to the supplier financing programs.

The total reverse factoring credit limit as of the reporting date amounts to EUR 254,628 thousand (2024: EUR 268,007 thousand). The utilized volume amounts to EUR 109,754 thousand (2024: EUR 148,491 thousand). The payments received by suppliers from credit institutions correspond to the carrying amount of trade payables under the supplier financing programs.

The following methods and assumptions were used to estimate the fair values:

Cash and cash equivalents, trade receivables, other financial assets, trade payables, and other current financial liabilities are close to their carrying amounts, mainly due to the short-term maturities of these instruments.

The fair value of loans from banks and other financial liabilities, obligations under finance leases, and other non-current financial liabilities is calculated by discounting future cash flows using rates currently available for debt on similar terms, credit risk, and remaining maturities.

As of December 31, 2025, the mark-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The credit risk of the counterparty did not lead to any significant effects.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: Quoted (unadjusted) prices on active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value and are not based on observable market data.

As of December 31, 2025, all financial instruments measured at fair value in the category FVTPL were assigned to Level 2. In fiscal year 2025, there were no transfers between Level 1 and Level 2 or from Level 3. The financial instruments measured at fair value comprised of foreign exchange forward and swap contracts. The assets amounted to EUR 697 thousand (2024: EUR 1,892 thousand) and liabilities amounted to EUR 636 thousand (2024: EUR 1,369 thousand). The fair value of financial instruments carried at amortized cost in the statement of financial position was also determined using a Level 2 method. The fair value of the assets and liabilities allocated to Level 2 are measured using input parameters from active markets. During fiscal year 2025, no circumstances occurred that would have caused the application of non-recurring fair value measurements.

Net result by measurement category

(in EUR thousand)

	Interest income and expenses	Changes in fair value	Currency translation	Bad debt losses	Disposal of financial instruments	2025	2024
Derivatives (FVTPL)	0	5,826	0	0	(2,818)	3,007	(2,875)
Financial Assets Measured at Amortized Cost (AC)	2,087	0	(6,831)	(8,006)	0	(12,750)	(8,570)
Financial Liabilities Measured at Amortized Cost (AC)	(14,688)	0	8,164	0	0	(6,524)	(19,255)

Interest on financial instruments is reported in the interest result in Note 4 Financial result.

The bad debt allowances recognized on trade receivables allocable to the AC category are reported under selling and marketing expenses.

Exchange gains and losses from the translation of foreign currency receivables and liabilities, as well as fair value changes and effects of disposals of exchange rate hedges, are reported in other financial items.

Changes in liabilities from financial activity

(in EUR thousand)

	Gross value Jan. 1	Cash flows	Changes in portfolio	Change in the maturity	Currency translation effects	Gross value Dec. 31
2025						
Liabilities arising from financing activities						
Short-term financial liabilities due to banks	12,621	(11,005)	0	90,988	18	92,622
Long-term financial liabilities due to banks	276,408	17,767	0	(90,988)	(674)	202,512
Lease liabilities	959,181	(211,303)	188,194	0	(49,179)	886,895
Total	1,248,210	(204,541)	188,194	0	(49,835)	1,182,029
2024						
Liabilities arising from financing activities						
Short-term financial liabilities due to banks	14,449	(88,336)	0	86,029	479	12,621
Long-term financial liabilities due to banks	316,428	50,550	0	(86,029)	(4,542)	276,408
Lease liabilities	793,245	(216,123)	363,782	0	18,278	959,181
Total	1,124,123	(253,909)	363,782	0	14,215	1,248,210

Offsetting of financial instruments

(in EUR thousand)

	Gross amounts recognized assets	Gross amounts offset liabilities	Net asset amounts disclosed in statement of fin. pos.	Liabilities not offset in the statement of fin. pos.	Cash deposits received not offset in the statement of fin. pos.	Net amounts
2025						
Trade receivables	410,370	(24,352)	386,018	0	0	386,018
Other financial assets	80,074	0	80,074	23	0	80,097
Thereof derivatives	697	0	697	23	0	720
Total	490,444	(24,352)	466,092	23	0	466,115
2024						
Trade receivables	386,055	(24,149)	361,906	0	0	361,906
Other financial assets	80,142	0	80,142	(122)	0	80,020
Thereof derivatives	1,892	0	1,892	(122)	0	1,770
Total	466,197	(24,149)	442,048	(122)	0	441,926

(in EUR thousand)

	Gross amounts recognized liabilities	Gross amounts offset assets	Net liabilities amounts disclosed in statement of fin. pos.	Assets not offset in the statement of fin. pos.	Cash deposits received not offset in the statement of fin. pos.	Net amounts
2025						
Trade payables	540,522	(11,460)	529,062	0	0	529,062
Other financial liabilities	636	0	636	23	0	659
Thereof derivatives	636	0	636	23	0	659
Total	541,158	(11,460)	529,698	23	0	529,721
2024						
Trade payables	667,600	(24,860)	642,740	0	0	642,740
Other financial liabilities	7,789	0	7,789	(122)	0	7,667
Thereof derivatives	1,369	0	1,369	(122)	0	1,247
Total	675,389	(24,860)	650,529	(122)	0	650,407

The liabilities of EUR 24,352 thousand (2024: EUR 24,149 thousand) offset against trade receivables as of the reporting date are outstanding credit notes to customers. The assets offset against trade payables are receivables in the form of outstanding credit notes from suppliers. These amounted to EUR 11,460 thousand (2024: EUR 24,860 thousand).

Master agreements for financial instrument contracts are in place between HUGO BOSS and its counterparties, extended by netting agreements. These agreements allow assets and liabilities arising from derivative contracts with the same counterparty to be combined into a single offsetting receivable or liability.

Hedging policy and financial derivatives

The following table shows the nominal amounts and the fair value of derivative financial instruments:

(in EUR thousand)

	2025		2024	
	Nominal values	Fair values	Nominal values	Fair values
Assets				
Currency hedging contracts	276,266	697	343,783	1,892
Liabilities				
Currency hedging contracts	80,754	(636)	173,324	(1,369)
Total	357,020	61	517,106	523

The nominal values are the principal amounts being hedged. The fair values of derivative financial instruments are recognized as other financial assets or other financial liabilities. They do not necessarily correspond to the amounts that will be generated in the future under normal market conditions.

Of the reported fair value from derivative financial instruments, a gain of EUR 61 thousand (2024: gain of EUR 1,073 thousand) stems from financial assets and liabilities that were classified as held for trading.

Currency risk hedges

To hedge against currency risks, HUGO BOSS enters into hedging transactions to mitigate risks.

The Group operates its own production facilities in Izmir, Turkey (HUGO BOSS Textile Industry Ltd.), among other locations. The functional currency of this subsidiary is the euro. However, certain local payments, such as wages, salaries, social security contributions, and transport costs, are denominated in Turkish lira (TRY). This creates a transaction risk for both the local entity and the Group due to potential fluctuations in the exchange rate between the euro and the Turkish lira.

The hedging strategy aims to limit transaction risks from future cash flows. These risks are managed using forward exchange contracts, which are designated as cash flow hedges as per IFRS 9 (hedge accounting). HUGO BOSS has implemented a rolling hedging strategy for cash flow hedges, gradually building a target hedge ratio of up to 50% of the underlying exposure over time. This approach enables HUGO BOSS to participate in market opportunities while smoothing the hedged rate. Additionally, it enhances the ability to adapt to changes in forecast exposures.

The maturities of the derivative financial instruments generally match to those of the hedged items, therefore the risk of the hedging instrument corresponds to the risk of the underlying exposure. As a result, HUGO BOSS prospectively assumes an economic relationship between the hedged item and the hedging instrument. Since the underlying risk of the forward exchange contract is identical to the hedged risk (the exchange rate risk between EUR and TRY), HUGO BOSS applies a hedging ratio of 1:1 for the hedging relationship mentioned above.

This is reviewed on a regular basis, but no less frequently than at each reporting date. In addition, only the cross-currency basis spread (CCBS) contained in the hedging instrument was evaluated on the reporting date, and classified as immaterial.

In principle, partial inefficiencies may arise from differences between planned and actual due dates for cash flows as well as when calculating the value difference between the hedging transaction and the hedged item, since the currency basis or the forward points are not excluded when designating the hedging instruments.

As of December 31, 2025, there are no open forward exchange contracts for hedging future cash flows in TRY, nor any hedging instruments that the Company has designated in hedging relationships having an impact on the balance sheet.

For additional information and a detailed description of other financial risks, please refer to the Risk and Opportunities Report in the Combined Management Report.

Other notes

23 | Notes to the statement of cash flows

The statement of cash flows shows the change in cash and cash equivalents over the reporting period using cash transactions. In accordance with IAS 7, the sources and applications of cash flows are categorized according to whether they relate to operating, investing, or financing activities. The cash inflows and outflows from operating activities are calculated indirectly on the basis of the Group's net income for the period. By contrast, cash flows from investing and financing activities are directly derived from the cash inflows and outflows. The changes in the items of the statement of financial position presented in the statement of cash flows cannot be derived directly from the statement of financial position on account of exchange rate translations.

A more detailed description of cash flows reported in the consolidated statement of cash flows is available in Note 14 Cash and cash equivalents.

Non-cash expenses and income concern, in particular, unrealized exchange rate gains and losses, fair value changes of derivative financial instruments recognized in profit or loss, and non-cash changes in financial liabilities.

24 | Segment reporting

The Managing Board of HUGO BOSS AG manages the Company by geographic areas. The Group companies are responsible for the distribution of all HUGO BOSS products that are not sold as licensed products by third parties in their respective sales markets. The Managing Directors of the subsidiaries report to the regional directors in charge, who in turn report to the Managing Board of HUGO BOSS AG. This organizational structure enables the direct implementation of Group objectives while taking into account specific market conditions.

Accordingly, the operating segments are organized into the three regions: Europe including Middle East and Africa (EMEA), Americas, and Asia/Pacific, in addition to the license division. The distribution companies of HUGO BOSS are assigned to the corresponding region, while the global licenses business of HUGO BOSS with third parties is allocated to the license division.

The Managing Board of HUGO BOSS AG is the chief operating decision maker of HUGO BOSS.

Management of the regional business segments is aligned to the value-added contribution at group level.

The most important performance indicator used by the Managing Board to make decisions on resources to be allocated to segments is the EBIT. The segment result is thus defined as the EBIT of sales units plus the gross margin of sourcing units and intra-group royalties.

Group financing (including interest income and expenses) and income taxes are managed on a group-wide basis and are not allocated to operating segments.

Management of the operating figures inventories and trade receivables is assigned to the sales markets. These items are regularly reported to the Managing Board. Consequently, segment assets only contain trade receivables and inventories.

Liabilities are not part of internal management reporting. The segment liabilities are therefore not disclosed.

The accounting rules applied in the segment information are in line with the accounting rules of HUGO BOSS as described in the accounting policies.

The Managing Board regularly reviews certain effects recognized in the statement of comprehensive income, including, in particular, amortization, depreciation, and impairment losses.

Capital expenditure from property, plant, and equipment, intangible assets, as well as right-of-use assets are also regularly reported to the Managing Board as part of internal reporting, making it a component of segment reporting.

All expenses and assets that cannot be directly allocated to the sales markets or the license segment are reported in the reconciliations below under corporate units/consolidation. All group-wide central functions are pooled in the corporate units. The remaining expenses of the sourcing, production, and R&D units make up an operating cost center. No operating income is allocated to the corporate units.

(in EUR thousand)

	EMEA	Americas	Asia/Pacific	Licenses	Total operating segments
2025					
Sales	2,664,410	992,699	509,185	103,544	4,269,838
Cost of Sales	(1,092,658)	(412,876)	(137,925)	0	(1,643,458)
Gross profit	1,571,751	579,824	371,260	103,544	2,626,379
Segment profit	660,400	106,120	61,667	86,110	914,298
In % of sales	24.8	10.7	12.1	83.2	21.4
Segment assets	545,520	393,463	209,356	20,880	1,169,219
Capital expenditure	20,719	24,287	24,756	11	69,774
Impairments	(9,987)	(10,948)	(8,101)	0	(29,036)
Thereof property, plant, and equipment	(8,254)	(10,792)	(4,746)	0	(23,792)
Thereof intangible assets	(1)	(2)	(3,288)	0	(3,291)
Thereof rights-of-use assets	(1,732)	(155)	(67)	0	(1,954)
Thereof write-up	0	0	0	0	0
Depreciation/amortization	(147,185)	(79,111)	(73,205)	(10)	(299,510)

(in EUR thousand)

	EMEA	Americas	Asia/Pacific	Licenses	Total operating segments
2024					
Sales	2,624,984	1,020,251	553,091	109,023	4,307,349
Cost of Sales	(1,078,594)	(421,390)	(147,524)	0	(1,647,508)
Gross profit	1,546,390	598,861	405,567	109,023	2,659,841
Segment profit	592,834	99,749	74,411	95,349	862,343
In % of sales	22.6	9.8	13.5	87.5	20.0
Segment assets	515,578	396,056	254,054	27,513	1,193,201
Capital expenditure	53,547	45,814	33,032	20	132,414
Impairments	(29,732)	(12,654)	(4,418)	0	(46,804)
Thereof property, plant, and equipment	(28,307)	(11,818)	(4,378)	0	(44,503)
Thereof intangible assets	0	0	0	0	0
Thereof rights-of-use assets	(2,915)	(836)	(41)	0	(3,791)
Thereof write-up	1,490	0	0	0	1,490
Depreciation/amortization	(156,059)	(74,483)	(73,905)	(16)	(304,462)

Reconciliation

The reconciliation of segment figures to group figures is presented below.

Sales

(in EUR thousand)

	2025	2024
Sales – operating segments	4,269,838	4,307,349
Corporate units (incl. Consolidation)	0	0
Total	4,269,838	4,307,349

Operating income

(in EUR thousand)

	2025	2024
Segment profit (EBIT) – operating segments	914,298	862,343
Corporate units (incl. Consolidation)	(523,545)	(501,522)
EBIT HUGO BOSS	390,753	360,821
Net interest income/expenses	(51,029)	(54,978)
Other financial items	5,128	(4,341)
Earnings before taxes HUGO BOSS	344,852	301,503

Segment assets

(in EUR thousand)

	2025	2024
Segment assets – operating segments	1,169,219	1,193,201
Corporate units (incl. Consolidation)	135,173	240,266
Current tax receivables	34,463	23,452
Current financial assets	50,619	49,341
Other current assets	130,444	135,698
Cash and cash equivalents	343,126	210,622
Current assets HUGO BOSS	1,863,044	1,852,580
Non-current assets	1,858,124	1,929,841
Total assets HUGO BOSS	3,721,169	3,782,421

Capital expenditure

(in EUR thousand)

	2025	2024
Capital expenditure – operating segments	69,774	132,414
Corporate units (incl. Consolidation)	122,832	153,204
Total	192,606	285,619

Impairments/write-ups¹

(in EUR thousand)

	2025	2024
Impairments/write-ups – operating segments	(29,036)	(46,804)
Corporate units (incl. Consolidation)	0	0
Total	(29,036)	(46,804)

¹ Impairment losses are shown as negative (–), while reversals of impairment losses are shown as positive (+).

Depreciation/amortization

(in EUR thousand)

	2025	2024
Depreciation/amortization – operating segments	299,510	304,462
Corporate units (incl. Consolidation)	62,333	62,939
Total	361,844	367,402

Geographic information

(in EUR thousand)

	Third party sales		Non-current assets ¹	
	2025	2024	2025	2024
Germany	609,161	576,930	682,154	624,808
Other EMEA markets	2,159,001	2,157,191	543,122	581,276
U.S.	629,726	653,566	251,194	313,604
Other North and Latin American markets	362,974	366,685	67,913	55,578
China	199,667	237,506	38,406	66,253
Other Asian markets	309,308	315,471	126,423	139,576
Total	4,269,838	4,307,349	1,709,212	1,781,095

¹ Non-current assets are allocated to the country in which the company's registered office is located, irrespective of the segment structure.

25 | Related party disclosures

In the reporting period from January 1 to December 31, 2025, the following transactions requiring disclosure were conducted with related parties:

Related parties

Related parties comprise members of the Managing Board and the Supervisory Board, as well as Frasers Group.

Frasers Group plc (Frasers Group) has been a long-standing wholesale customer of HUGO BOSS, particularly in the United Kingdom, regularly purchasing goods under standard commercial terms. Following the election of Michael Murray, CEO of Frasers Group, to the Supervisory Board of HUGO BOSS AG on May 15, 2025, and Frasers Group's shareholding in HUGO BOSS AG exceeding 20% as of June 12, 2025, the legal presumption of significant influence under IAS 28 applies. Accordingly, Frasers Group has been classified as a related party under IAS 24 as of June 12, 2025.

Compensation of the Managing Board

The total compensation of the Managing Board amounts to EUR 14,797 thousand (2024: EUR 17,768 thousand). Expenses for short-term benefits totaled EUR 10,720 thousand (2024: EUR 12,995 thousand). A service cost of EUR 1,280 thousand (2024: EUR 1,263 thousand) was incurred for company pension plans in 2025. For share-based compensation, the expense amounted to EUR 2,796 thousand (2024: EUR 3,511 thousand).

The total compensation of the members of the Managing Board pursuant to Sec. 314 (1) no. 6 a) of the German Commercial Code (HGB) amounted to EUR 11,715 thousand in fiscal year 2025 (2024: EUR 10,178 thousand). Of this amount, EUR 3,551 thousand related to basic compensation including fringe benefits (2024: EUR 3,382 thousand). An amount of EUR 2,747 thousand (2024: EUR 1,738 thousand) is attributable to the "Short-Term Incentive" (STI) as agreed for fiscal year 2025. An amount of EUR 5,417 thousand is attributable to the "Long-Term Incentive" (LTI) 2025–2028, resulting from 127,984 subscription rights granted in 2025.

In addition, no loans were granted to members of the Managing Board in fiscal year 2025, nor were any contingent liabilities entered into in favor of these persons. Members of the Managing Board can purchase BOSS or HUGO products at reduced prices as part of their fringe benefits in kind granted as part of their salary and for their personal needs.

Former members of the Managing Board and their surviving dependents received total remuneration of EUR 1,801 thousand in 2025 (2024: EUR 2,271 thousand). This includes compensation attributable to the "Long-Term Incentive" (LTI) and the "Short-Term Incentive" (STI) amounting to EUR 1,233 thousand (2024: EUR 1,728 thousand). Pension obligations for former members of the Managing Board and their surviving dependents amount to EUR 37,146 thousand (2024: EUR 39,955 thousand). The corresponding plan assets in the form of reinsurance amount to EUR 35,663 thousand (2024: EUR 37,559 thousand).

Compensation of the Supervisory Board

The Supervisory Board compensation for its activities in 2025 amounts to EUR 1,802 thousand. For fiscal year 2024, the total compensation amounted to EUR 1,790 thousand.

Other related party disclosures

Members of the Managing Board and Supervisory Board together held around 1.5% (2024: around 1.5%) of the shares issued by HUGO BOSS AG at the end of fiscal year 2025.

Trading transactions with related parties

Balances and transactions between HUGO BOSS AG and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and related parties are disclosed below.

During the year, Group entities entered into the following transactions with related parties who are not part of the Group:

(in EUR thousand)

	2025 ¹	As of December 31 st , 2025
	Sale of Goods	Amounts owed by related parties
FRASERS GROUP		
SPORTS DIRECT.COM RETAIL LTD.	45,566	3,070
SPORTS DIRECT INTERNATIONAL	1,478	449
TOPGRADE SPORTSWEAR LTD.	18,561	2,511
TWIN SPORT B.V.	146	16
Total	65,751	6,046

¹ Information for companies of Frasers Group is provided for the period from June 12, 2025 onwards.

Sales of goods to related parties were made at the Group's usual list prices on an arm's length basis. No purchases of goods were made during fiscal year 2025, therefore, no liabilities to related parties arose as of the reporting date. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

26 | Subsequent events

At the time this report was prepared on March 3, 2026, the impact of a potential further escalation of the Iran conflict on the global economy and industry growth in 2026 could not be determined with sufficient certainty. While HUGO BOSS' global business had not been materially affected at that date, such an escalation could have a material adverse effect on the Company's net assets, financial position, and results of operations in fiscal year 2026.

Between the end of fiscal year 2025 and the preparation of these consolidated financial statements on March 3, 2026, there were no further material macroeconomic, sociopolitical, industry-related, or Company-specific changes that the Management expects to have a significant impact on the Group's earnings, net assets, or financial position.

27 | Corporate Governance Code

In December 2025, the Managing Board and Supervisory Board of HUGO BOSS AG issued the declaration of compliance prescribed by Sec. 161 AktG. It is available for shareholders on the Company's website (cgs.hugoboss.com).

28 | Group auditor fees

(in EUR thousand)

	2025		2024	
	Deloitte Network	Deloitte GmbH Wirtschafts- prüfungs- gesellschaft	Deloitte Network	Deloitte GmbH Wirtschafts- prüfungs- gesellschaft
Audit services	2,765	771	2,639	681
Other assurance services	256	225	307	235
Tax advisory services	15	0	114	0
Other services	38	0	38	0
Total	3,074	996	3,098	916

In fiscal year 2025, the audit services provided by the Group auditor mainly included the statutory audit of the annual and consolidated financial statements. Additionally, other assurance services included the audit to obtain limited assurance on the Combined Non-Financial Statement. The tax advisory services related to tax filing in subsidiaries abroad.

Managing Board

Member of the Managing Board	Responsibility
<p>Daniel Grieder (Brissago, Switzerland/Metzingen, Germany)</p> <p>Chairman of the Managing Board, Member of the Managing Board since June 1, 2021</p>	<p>Global Marketing & Brand Communication, Creative Direction, Global Licenses, Human Resources, Corporate Communications & Public Affairs, Group Strategy & Corporate Development (incl. Global Corporate Responsibility), and Digital Platform: Brand & Product, Global Sourcing & Production</p>
<p>Oliver Timm (Meerbusch/Metzingen, Germany)</p> <p>Member of the Managing Board since January 1, 2021</p>	<p>Business Unit BOSS Menswear, Business Unit BOSS Womenswear, Business Unit HUGO, Business Unit Footwear, Accessories, Bodywear & Hosiery, Global Sales Development, Global Retail & Wholesale, Customer Relationship Management (CRM), Data & Analytics, Global Merchandise Management, Global Travel Retail, Global Retail Management, Global E-Commerce & Metaverse, and Digital Platform: Omnichannel & Sales</p>
<p>Yves Müller (Hamburg/Metzingen, Germany)</p> <p>Member of the Managing Board since December 1, 2017</p>	<p>Group Finance & Tax, Business Planning & Analysis, Investor Relations & M&A, Operations Excellence Projects, Technical Product Development, Global Logistics, IT (incl. Information Security), Legal, Compliance & Data Protection, Internal Audit, Construction & Procurement, and Digital Platform: Finance & Operations</p>

Supervisory Board

Shareholder representatives

Stephan Sturm

(Hofheim, Germany)

Chairman of the Board of the
Heinz Hermann Thiele Family Foundation,
Munich, Germany,
Chairman of the Supervisory Board (since May 2025),
Member since 2025

Iris Epple-Righi

(Munich, Germany)

Management Consultant,
Member since 2020

Andreas Kurali

(Zug, Switzerland)

Business Consultant (freelance),
Member since 2025

Luca Marzotto

(Venice, Italy)

Chief Executive Officer (CEO) Zignago Holding S.p.A.,
Fossalta di Portogruaro, Italy,
Member since 2010

Michael Murray

(London, United Kingdom)

Chief Executive Officer (CEO) Frasers Group plc,
London, United Kingdom,
Member since 2025

Christina Rosenberg

(St. Heinrich, Münsing, Germany)

Management Consultant innotail,
Munich, Germany,
Member since 2020

Hermann Waldemer

(Blitzingen, Switzerland)

Management Consultant,
Chairman of the Supervisory Board (until May 2025),
Member from 2015 until 2025

Gaetano Marzotto

(Milan, Italy)

Chairman of the Supervisory Board
Herita Marzotto Wine Estates S.r.l.,
Fossalta di Portogruaro, Italy,
Member from 2010 until 2025

Robin J. Stalker

(Oberreichenbach, Germany)

Chartered Accountant,
Member from 2020 until 2025

Employee representatives

Sinan Piskin

(Metzingen, Germany)

Administrative Employee/Chairman of the Works Council,
HUGO BOSS AG, Metzingen, Germany,
Deputy Chairman of the Supervisory Board,
Member since 2008

Katharina Herzog

(Reutlingen, Germany)

Senior Vice President Group Finance & Tax HUGO BOSS AG,
Metzingen, Germany,
Member since 2020

Dr. Claudia Hülsken

(Stuttgart, Germany)

First Authorized Representative of
IG Metall Reutlingen-Tübingen, Germany,
Member since 2025

Daniela Liburdi

(Sindelfingen, Germany)

Administrative Employee HUGO BOSS AG,
Metzingen, Germany,
Member since 2023

Laura Micati

(Metzingen, Germany)

Administrative Employee HUGO BOSS AG,
Metzingen, Germany,
Member since 2025

Tanja Silvana Nitschke

(Weil im Schönbuch, Germany)

Coordinator of the "Tarifpolitische Bildungsoffensive" of
IG Metall Baden-Württemberg,
Reutlingen, Germany,
Member since 2015

Andreas Flach

(Weil der Stadt, Germany)

Trade Union Secretary of the German Metalworkers' Union
IG Metall Frankfurt, Germany,
Member from 2023 until 2025

Bernd Simbeck

(Metzingen, Germany)

Administrative Employee HUGO BOSS AG,
Metzingen, Germany,
Member from 2021 until 2025

Additional disclosures on the members of the Supervisory Board and the Managing Board

The members of the Supervisory Board of HUGO BOSS are also members of a supervisory board at the following companies¹:

Iris Epple-Righi	Bambuser AB	Stockholm, Sweden
	Global-e Online Ltd.	Petah Tikva, Israel
	Sennheiser electronic SE & Co. KG	Wedemark, Germany
Katharina Herzog	HUGO BOSS Holding Netherlands B.V.	Amsterdam, Netherlands
	HUGO BOSS International B.V.	Amsterdam, Netherlands
Gaetano Marzotto (until May 2025)	Ca' Del Bosco S.r.l.	Erbusco, Italy
	Style Capital SGR S.p.A. ²	Milan, Italy
	Zignago Holding S.p.A.	Fossalta di Portogruaro, Italy
	Zignago Vetro S.p.A.	Fossalta di Portogruaro, Italy
Luca Marzotto	Florence S.r.l.	Milan, Italy
	Forte Forte S.r.l.	Sarcedo, Italy
	Isotex Engineering S.r.l.	Trissino, Italy
	ITACA EQUITY Holding S.p.A.	Milan, Italy
	Multitecno S.r.l.	Fossalta di Portogruaro, Italy
	Herita Marzotto Wine Estates S.r.l.	Fossalta di Portogruaro, Italy
	Santex Rimar Group S.r.l.	Trissino, Italy
	Serliana S.r.l.	Milan, Italy
	Smit S.r.l.	Trissino, Italy
	Techwald Next S.p.A.	Turin, Italy
	Vetri Speciali S.p.A.	Trento, Italy
	Zignago Vetro S.p.A.	Fossalta di Portogruaro, Italy
	Christina Rosenberg	Josef Tretter GmbH & Co. KG
Villeroy & Boch AG		Mettlach, Germany
Robin J. Stalker (until May 2025)	Schaeffler AG	Herzogenaurach, Germany
	Schmitz Cargobull AG ²	Horstmar, Germany
	AUMOVIO SE	Frankfurt, Germany

¹ Members not mentioned have no supervisory board mandates in other companies.

² Member holds position of Chairman or Vice Chairman.

Members of the Managing Board

Daniel Grieder is a non-executive member of the board of directors of Rieter Holding AG (Winterthur, Switzerland). No other member of the Managing Board of HUGO BOSS AG held a mandate on supervisory boards or comparable supervisory bodies of companies not belonging to HUGO BOSS during the reporting period. In the reporting period, members of the Managing Board held mandates on supervisory boards or comparable other supervisory bodies of Group companies for the purpose of Group management and monitoring.

Publication

The annual and consolidated financial statements of HUGO BOSS AG are published in the German Register of Companies and on the website of HUGO BOSS.

Metzingen, March 3, 2026

HUGO BOSS AG
The Managing Board

Daniel Grieder
Oliver Timm
Yves Müller

Shareholdings of HUGO BOSS AG

Unless stated otherwise, the interest in capital amounts to 100% and the following companies are fully consolidated.

(in EUR thousand)

Company ¹	Registered office	Equity 2025
HUGO BOSS International B.V.	Amsterdam, Netherlands	629,830
HUGO BOSS Holding Netherlands B.V.	Amsterdam, Netherlands	615,319
HUGO BOSS Internationale Beteiligungs-GmbH ^{2,3,5}	Metzingen, Germany	524,800
HUGO BOSS USA, Inc. HUGO BOSS Cleveland Inc. HUGO BOSS Fashion Inc. HUGO BOSS Florida, Inc. HUGO BOSS Licensing Inc. HUGO BOSS Retail Inc.	New York, NY, USA New York, NY, USA	242,589 ⁴
HUGO BOSS China Retail Co. Ltd.	Shanghai, China	183,374
HUGO BOSS UK Limited	London, United Kingdom	78,567
HUGO BOSS Mexico S.A. de C.V. ²	Mexico City, Mexico	74,489
HUGO BOSS Lotus Hong Kong Ltd.	Hong Kong, China	62,193
HUGO BOSS Ticino S.A.	Coldrerio, Switzerland	62,171
HUGO BOSS Hong Kong Ltd.	Hong Kong, China	61,024
HUGO BOSS Benelux B.V. y CIA S.C	Madrid, Spain	46,529
HUGO BOSS Canada, Inc.	Toronto, Canada	42,950
HUGO BOSS France SAS	Paris, France	40,741
HUGO BOSS ALFUTTAIM UAE TRADING L.L.C. ⁶	Dubai, U.A.E.	37,111
HUGO BOSS Textile Industry Ltd. ²	Izmir, Turkey	34,482
HUGO BOSS do Brasil Ltda.	São Paulo, Brazil	34,400
HUGO BOSS Benelux B.V.	Amsterdam, Netherlands	31,894
HUGO BOSS Middle East FZ-LLC	Dubai, U.A.E.	25,092
HUGO BOSS (Schweiz) AG	Zug, Switzerland	15,761
HUGO BOSS Magazacilik Ltd. Sti.	Izmir, Turkey	14,132
HUGO BOSS Holdings Pty. Ltd.	Preston, Australia	12,363
HUGO BOSS Italia S.p.A.	Milan, Italy	12,281
HUGO BOSS Portugal & Companhia	Lisbon, Portugal	11,881
HUGO BOSS Shoes & Accessories Italia S.p.A.	Morrovalle, Italy	11,486
HUGO BOSS Scandinavia AB	Stockholm, Sweden	9,769
HUGO BOSS Nordic ApS	Copenhagen, Denmark	7,910
HUGO BOSS Australia Pty. Ltd.	Preston, Australia	7,863
HUGO BOSS Hellas LLC	Athens, Greece	7,588
HUGO BOSS (Macau) Co. Ltd.	Macau, China	5,957
HUGO BOSS Belgium BVBA ²	Antwerp, Belgium	5,855
HUGO BOSS Ireland Limited	Dublin, Ireland	5,205
HUGO BOSS Korea Ltd.	Seoul, South Korea	5,195
HUGO BOSS Guangdong Trading Co. Ltd.	Guangzhou, China	5,099
HUGO BOSS Vermögensverwaltungs GmbH & Co. KG ^{2,3}	Metzingen, Germany	5,017

(in EUR thousand)

Company ¹	Registered office	Equity 2025
HUGO BOSS (Thailand) Limited	Bangkok, Thailand	4,015
HUGO BOSS Stiftung gGmbH ²	Metzingen, Germany	3,691
Lotus (Shenzhen) Commerce Ltd.	Shenzhen, China	3,125
HUGO BOSS Finland OY	Helsinki, Finland	2,593
HUGO BOSS South East Asia Pte. Ltd.	Singapore	2,465
Salam Stores HUGO BOSS WLL ⁷	Doha, Qatar	1,800
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dieselstraße KG ^{2,3}	Metzingen, Germany	1,790
HUGO BOSS Shoes & Accessories Poland Sp. z o.o.	Radom, Poland	1,723
YOURDATA HB DIGITAL CAMPUS, Unipessoal, Lda. ^{2,8}	Porto, Portugal	1,412
HUGO BOSS Holding Sourcing S.A.	Coldreria, Switzerland	1,120
HUGO BOSS Malaysia SDN. BHD.	Kuala Lumpur, Malaysia	1,087
HUGO BOSS Estonia OÜ	Tallinn, Estonia	312
HUGO BOSS Beteiligungsgesellschaft mbH ^{2,3,5}	Metzingen, Germany	(85)
Eightyards GmbH ^{2,9}	Metzingen, Germany	(215)
HUGO BOSS Latvia SIA.	Riga, Latvia	(230)
GRAMOLERA Grundstücksvermietungsgesellschaft Objekt Ticino mbH ³	Metzingen, Germany	(499)
Gretana Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt D 19 KG ²	Grünwald, Germany	(572)
HUGO BOSS New Zealand Ltd.	Auckland, New Zealand	(1,890)
HUGO BOSS Belgium Retail BVBA	Antwerp, Belgium	(2,407)
HUGO BOSS Benelux Retail B.V.	Amsterdam, Netherlands	(9,829)
HUGO BOSS Japan K.K.	Tokyo, Japan	(10,127)

¹ The figures correspond to the financial statements after possible profit transfer, for subsidiaries according to internally-consolidated IFRS financial statements.

² Directly affiliated to HUGO BOSS AG.

³ Subsidiaries that exercise the exemption of Sec. 264 (3) and 264b HGB ["Handelsgesetzbuch": German Commercial Code].

⁴ Subgroup financial statement include the following companies: HUGO BOSS Cleveland Inc., HUGO BOSS Fashion Inc., HUGO BOSS Florida, Inc., HUGO BOSS Licensing Inc., HUGO BOSS Retail Inc, and HUGO BOSS USA, Inc.

⁵ Companies with a profit transfer agreement with HUGO BOSS AG.

⁶ Investments with an equity share of 49%, consolidation of IFRS 10.7: Other contractual agreements.

⁷ Investments with an equity share of 70%.

⁸ Investments with an equity share of 45%, consolidation of IFRS 10.7: Other contractual agreements.

⁹ Investments that is not consolidated.