

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Form 10-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended March 31, 2023

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 001-33202



**UNDER ARMOUR, INC.**

(Exact name of registrant as specified in its charter)

**Maryland**

(State or other jurisdiction of  
incorporation or organization)

**1020 Hull Street  
Baltimore, Maryland 21230**

(Address of principal executive offices) (Zip Code)

**52-1990078**

(I.R.S. Employer  
Identification No.)

**(410) 468-2512**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

**Class A Common Stock**

**UAA**

**New York Stock Exchange**

**Class C Common Stock**

**UA**

**New York Stock Exchange**

(Title of each class)

(Trading Symbols)

(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act:

**None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of September 30, 2022, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's Class A Common Stock and Class C Common Stock held by non-affiliates was \$1,250,424,223 and \$1,147,881,110, respectively.

As of May 15, 2023 there were 188,704,689 shares of Class A Common Stock, 34,450,000 shares of Class B Convertible Common Stock and 221,441,390 shares of Class C Common Stock outstanding.

### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of Under Armour, Inc.'s Proxy Statement for the Annual Meeting of Stockholders to be held on August 29, 2023 are incorporated by reference in Part III of this Annual Report on Form 10-K.

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**UNDER ARMOUR, INC.**  
**ANNUAL REPORT ON FORM 10-K**  
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## PART I. FINANCIAL INFORMATION

### FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Annual Report on Form 10-K constitute forward-looking statements. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts, such as statements regarding our share repurchase program, our future financial condition or results of operations, our prospects and strategies for future growth, the impact of the COVID-19 pandemic on our business, expectations regarding promotional activities, freight, product cost pressures and foreign currency impacts, the impact of global economic conditions and inflation on our results of operations, the development and introduction of new products, the implementation of our marketing and branding strategies, and the future benefits and opportunities from significant investments. In many cases, you can identify forward-looking statements by terms such as "may," "will," "could," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "outlook," "potential" or the negative of these terms or other comparable terminology.

The forward-looking statements contained in this Annual Report on Form 10-K reflect our current views about future events and are subject to risks, uncertainties, assumptions and changes in circumstances that may cause events or our actual activities or results to differ significantly from those expressed in any forward-looking statement. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. A number of important factors could cause actual results to differ materially from those indicated by these forward-looking statements, including, but not limited to, those factors described in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" herein. These factors include without limitation:

- changes in general economic or market conditions, including increasing inflation, that could affect overall consumer spending or our industry;
- the impact of the COVID-19 pandemic on our industry and our business, financial condition and results of operations, including impacts on the global supply chain;
- failure of our suppliers, manufacturers or logistics providers to produce or deliver our products in a timely or cost-effective manner;
- labor or other disruptions at ports or our suppliers or manufacturers;
- increased competition causing us to lose market share or reduce the prices of our products or to increase our marketing efforts significantly;
- fluctuations in the costs of raw materials and commodities we use in our products and our supply chain (including labor);
- changes to the financial health of our customers;
- our ability to successfully execute our long-term strategies;
- our ability to effectively develop and launch new, innovative and updated products;
- our ability to accurately forecast consumer shopping and engagement preferences and consumer demand for our products and manage our inventory in response to changing demands;
- loss of key customers, suppliers or manufacturers;
- our ability to effectively market and maintain a positive brand image;
- our ability to further expand our business globally and to drive brand awareness and consumer acceptance of our products in other countries;
- our ability to manage the increasingly complex operations of our global business;
- the impact of global events beyond our control, including military conflict;
- our ability to successfully manage or realize expected results from significant transactions and investments;
- our ability to effectively meet the expectations of our stakeholders with respect to environmental, social and governance practices;
- the availability, integration and effective operation of information systems and other technology, as well as any potential interruption of such systems or technology;

- any disruptions, delays or deficiencies in the design, implementation or application of our global operating and financial reporting information technology system;
- our ability to attract key talent and retain the services of our senior management and other key employees;
- our ability to effectively drive operational efficiency in our business and realize expected benefits from restructuring plans;
- our ability to access capital and financing required to manage our business on terms acceptable to us;
- our ability to accurately anticipate and respond to seasonal or quarterly fluctuations in our operating results;
- risks related to foreign currency exchange rate fluctuations;
- our ability to comply with existing trade and other regulations, and the potential impact of new trade, tariff and tax regulations on our profitability;
- risks related to data security or privacy breaches; and
- our potential exposure to litigation and other proceedings.

The forward-looking statements contained in this Annual Report on Form 10-K reflect our views and assumptions only as of the date of this Annual Report on Form 10-K. We undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

*Throughout this Annual Report on Form 10-K: (i) the term "Fiscal 2024" means our fiscal year beginning on April 1, 2023 and ending March 31, 2024; (ii) the term "Fiscal 2023" means our fiscal year beginning on April 1, 2022 and ended March 31, 2023; (iii) the term "Transition Period" means the period beginning on January 1, 2022 and ended March 31, 2022; (iii) the term "Fiscal 2021" means our fiscal year beginning on January 1, 2021 and ended December 31, 2021; and (iv) the term "Fiscal 2020" means our fiscal year beginning on January 1, 2020 and ended December 31, 2020. Our Consolidated Financial Statements are presented in U.S. dollars. As used in this report, the terms "we," "our," "us," "Under Armour" and the "Company" refer to Under Armour, Inc. and its subsidiaries unless the context indicates otherwise.*

## **ITEM 1. BUSINESS**

### **General**

Our principal business activities are developing, marketing and distributing branded performance apparel, footwear and accessories for men, women and youth. Our performance products are engineered in many designs and styles for use in nearly every climate and are worn worldwide by athletes at all levels, from youth to professional, on various playing fields around the globe and by consumers with active lifestyles.

We generate net revenues from the sale of our products globally to national, regional, independent and specialty wholesalers and distributors. We also generate net revenue from the sale of our products through our direct-to-consumer sales channel, which includes our owned Brand and Factory House stores and e-commerce websites. We plan to continue to grow our business over the long-term through increased sales of our apparel, footwear and accessories; growth in our direct-to-consumer sales channel; and expansion of our wholesale distribution. We believe that achievement of our long-term growth objectives depends, in part, on our ability to execute strategic initiatives in key areas including our wholesale, footwear, women's and direct-to-consumer businesses. Additionally, our digital strategy is focused on supporting these long-term objectives, emphasizing connection and engagement with our consumers through multiple digital touchpoints.

We were incorporated as a Maryland corporation in 1996. We have registered trademarks around the globe, including UNDER ARMOUR®, HEATGEAR®, COLDGEAR®, HOVR® and the Under Armour UA Logo ®, and we have applied to register many other trademarks. This Annual Report on Form 10-K also contains additional trademarks and tradenames of our Company and our subsidiaries. All trademarks and trade names appearing in this Annual Report on Form 10-K are the property of their respective holders.

## **Products**

Our product offerings consist of apparel, footwear and accessories for men, women and youth. We market our products at multiple price levels and provide consumers with products that we believe are superior to non-performance-oriented athletic products. Our products are primarily designed for athletic and active occasions, though many of our products can be worn or used in casual occasions. In Fiscal 2023, sales of apparel, footwear and accessories represented 66%, 25% and 7% of net revenues, respectively. Licensing arrangements represented 2% of net revenues. Refer to Note 11 to the Consolidated Financial Statements for net revenues by product category.

### *Apparel*

Our apparel is offered in a variety of styles and fits to enhance comfort and mobility, support active movement, regulate body temperature and improve performance regardless of weather conditions. Our apparel is engineered to replace non-performance fabrics in athletics and fitness applications with innovation and technologies designed and merchandised with various techniques and styles. Our apparel comes in three primary fit types: compression (tight fit), fitted (athletic fit) and loose (relaxed fit). Our mission is to make athletes better, and we aim to innovate our technical apparel products to provide performance benefits, such as creating breathable warmth, helping the body stay cool and dry in hotter-than-normal conditions; harnessing the body's energy to help fight fatigue; adapting to each athlete's unique body shape to improve fit and comfort and prevent slippage; and providing protection against rain while maintaining breathability.

These types of innovations and technologies, embedded in many of our apparel products, include: COLDGEAR®, COLDGEAR INFRARED®, HEATGEAR®, UA Iso-Chill™, UA RUSH™, UA SMARTFORM™ and UA STORM™.

### *Footwear*

Footwear includes products for running, training, basketball, cleated sports, recovery and outdoor applications. Our footwear is built with the mindset of making athletes better through differentiated and industry leading cushioning technologies such as Charged Cushioning®, UA Flow™, HOVR® and UA Micro G®. These cushioning platforms provide athletes with plush underfoot and improved ground feel, enhanced responsiveness and lightweight solutions. We also incorporate advanced materials and innovative consumer-centric constructions to enhance performance.

### *Accessories*

Accessories primarily includes the sale of athletic performance gloves, bags, headwear, socks and sports masks. Some of our accessories include the technologies mentioned above and are designed with advanced fabrications to provide the same level of performance as our other products.

### *License*

We have agreements with licensees to develop certain Under Armour apparel, footwear, accessories and equipment. To maintain consistent brand quality, performance and compliance standards, our product, marketing, sales and quality assurance teams are involved in all steps of the design and go-to-market process. During Fiscal 2023, our licensees offered collegiate apparel and accessories, baby and youth apparel, team uniforms, socks, water bottles, eyewear and other specific hard goods equipment that feature performance advantages and functionality like our other product offerings.

## **Marketing and Promotion**

We currently focus on marketing our products to consumers primarily for use in athletics, fitness, and training activities, emphasizing our ability to support the needs of our athletes at all moments of their day. We seek to drive consumer demand by building brand awareness that our products deliver advantages to help athletes perform better.

### *Sports Marketing*

Our marketing and promotion strategy begins with providing and selling our products to high-performing athletes and teams at the high school, collegiate and professional levels. We execute this strategy through outfitting agreements, professional, club and collegiate sponsorship, individual athlete and influencer agreements and by providing and selling our products directly to teams and individual athletes. We also seek to sponsor and host consumer events to drive awareness and brand authenticity from a grassroots level by hosting combines, camps and clinics for young athletes in a variety of sports. As a result, our products are seen on the field and the court, and

by various consumer audiences through the internet, television, magazines and live sporting events. This exposure helps us establish on-field authenticity as consumers can see our products being worn by high-performing athletes.

We are the official outfitter of athletic teams in several high-profile collegiate conferences and professional sport organizations, supporting the athletes on and off the field. We sponsor and sell our products to international sports teams, which helps drive brand awareness in various countries and regions worldwide. Further, we leverage our relationships with athletes, teams, leagues and youth experiences in our global and regional marketing and promotions.

#### *Media*

We feature our products in a variety of national digital, broadcast, and print media outlets. We also utilize social media to engage consumers and promote connectivity with our brand and products while engaging with our consumers throughout their day.

#### *Retail Presentation*

Our retail marketing strategy is focused on increasing floor space dedicated to our products within our major wholesale accounts and elevating the presentation of our products within our Brand and Factory House retail stores. A key component of our strategy to secure prime floor space within our major wholesale accounts is the design of Under Armour point of sale displays and concept shops, which enhance our brand's presentation by creating a shop-in-shop approach using dedicated space—including flooring, lighting, walls, displays and images—exclusively for our products through which we create an exciting environment for the consumer to experience and learn about our brand.

### **Sales and Distribution**

The majority of our sales are generated through wholesale channels, including national and regional sporting goods chains, independent and specialty retailers, department store chains, mono-branded Under Armour retail stores in certain international markets, institutional athletic departments and leagues and teams. In various countries where we do not have direct sales operations, we sell our products to independent distributors or engage licensees to sell our products.

We also sell our products directly to consumers through our global network of Brand and Factory House stores and e-commerce websites. Factory House store products are specifically designed for sale in our Factory House stores and serve an important role in our overall inventory management by allowing us to sell a portion of excess, discontinued and out-of-season products, while maintaining the pricing integrity of our brand in our other distribution channels. Consumers experience a premium expression of our brand through our Brand House stores while having broader access to our performance products. In Fiscal 2023, sales through our wholesale, direct-to-consumer and licensing channels represented 59%, 38% and 2% of net revenues, respectively.

Our primary business operates in four geographic segments: (i) North America, comprising the United States and Canada, (ii) Europe, the Middle East and Africa ("EMEA"), (iii) Asia-Pacific, and (iv) Latin America. These geographic segments operate predominantly in one industry: developing, marketing and distributing branded performance apparel, footwear and accessories. Refer to Note 19 to the Consolidated Financial Statements for net revenues by segment.

Corporate Other consists primarily of (i) operating results related to our MapMyFitness digital platform, which includes MapMyRun® and MapMyRide® (collectively "MMR"), and other digital business opportunities; (ii) general and administrative expenses not allocated to an operating segment, including expenses associated with centrally managed departments such as global marketing, global IT, global supply chain and innovation, and other corporate support functions; (iii) restructuring and restructuring related charges; and (iv) certain foreign currency hedge gains and losses.

Our North America segment accounted for approximately 65% of our net revenues for Fiscal 2023, while our EMEA, Asia-Pacific and Latin America segments combined represented approximately 34%. For Fiscal 2023, no single customer accounted for more than 10% of the Company's net revenues.

#### *North America*

We sell our apparel, footwear and accessories in North America through wholesale and direct-to-consumer channels. Net revenues generated from the sales of our products in the United States were \$3.5 billion for Fiscal 2023.

Our direct-to-consumer sales are generated through our Brand and Factory House stores and e-commerce website. As of March 31, 2023, in North America, we had 176 Factory House stores primarily located in outlet centers and 18 Brand House stores throughout the United States and Canada. Consumers can also purchase our products directly from our e-commerce website.

In addition, we earn license revenues in North America based on our licensees' sales of collegiate apparel and accessories, as well as other licensed products.

We distribute the majority of our products to our North American wholesale customers and our own retail stores and e-commerce channels from distribution facilities we lease and operate in California, Maryland and Tennessee. In addition, we distribute our products in North America through third-party logistics providers with primary locations in Canada, New Jersey and Florida. In some instances, we arrange to have products shipped directly to customer-designated facilities from the factories that manufacture our products.

#### *EMEA*

We sell our apparel, footwear and accessories in EMEA primarily through wholesale customers and independent distributors, along with e-commerce websites and Brand and Factory House stores we operate within Europe. We also sell our branded products to various sports clubs and teams in Europe. We generally distribute our products to our retail customers and e-commerce consumers in Europe through a third-party logistics provider in the Netherlands and a bonded warehouse in the United Kingdom. We sell our apparel, footwear and accessories through independent distributors in the Middle East and Africa.

#### *Asia-Pacific*

We sell our apparel, footwear and accessories products in China, South Korea, Australia, Singapore, Malaysia and Thailand through stores operated by our distribution and wholesale partners, along with e-commerce websites and Brand and Factory House stores that we own and operate. We also sell our products to distributors in New Zealand, Taiwan, Hong Kong, India and other countries in Southeast Asia where we do not have direct sales operations. We distribute our products in Asia-Pacific through third-party logistics providers based in Hong Kong, China, South Korea, Australia and Singapore.

We have a license agreement with a partner in Japan, which produces, markets and sells our branded apparel, footwear and accessories. Our branded products are sold in this market to large sporting goods retailers, independent specialty stores, professional sports teams and licensee-owned retail stores. We hold a non-controlling stake in our partner.

#### *Latin America*

In Fiscal 2021, we transitioned away from direct sales operations to distributors in several countries within the Latin America region. We currently sell our apparel, footwear and accessories in Mexico through wholesale and direct-to-consumer channels. In countries where we no longer have direct sales operations, such as Chile, Argentina, Colombia and Brazil, we distribute our products through independent distributors, sourced primarily through our international distribution hub in Panama.

### **Product Design and Development**

Our products are developed by internal product development teams and manufactured with technical fabrications produced by third parties. This approach enables us to select and create superior, technically advanced materials, curated to our specifications, while focusing our product development efforts on style, performance and fit.

We seek to deliver superior performance in all products, with a mission to make athletes better. Our developers proactively identify opportunities to create and improve performance products that meet the evolving needs of our consumers. We design products with consumer-valued technologies, utilizing color, texture and fabrication to enhance consumer perception and understanding of product use and benefits.

Our product teams also work closely with our sports marketing and sales teams and with professional, collegiate and varsity athletes to identify product developments, trends and determine market needs.

### **Sourcing, Manufacturing and Quality Assurance**

Many specialty fabrics and other raw materials used in our apparel products are technically advanced products produced by third parties. The fabric and other raw materials used to manufacture our apparel products

are sourced by our contracted manufacturers from a limited number of suppliers pre-approved by us. In Fiscal 2023, our top five suppliers provided approximately 38% of the fabric used in our apparel and accessories. These fabric suppliers have primary locations in Taiwan, China, Turkey and Malaysia. The fabrics used by our suppliers and manufacturers are primarily synthetic and involve raw materials, including petroleum-based products that may be subject to price fluctuations and shortages. We also use cotton as a blended fabric in some of our apparel products. Cotton is a commodity that is subject to price fluctuations and supply shortages. Additionally, our footwear uses raw materials sourced from a diverse base of third-party suppliers. This includes chemicals and petroleum-based components such as rubber that are also subject to price fluctuations and supply shortages.

Substantially all of our products are manufactured by unaffiliated manufacturers. In Fiscal 2023, our apparel and accessories products were manufactured by 33 primary contract manufacturers, operating in 20 countries, with approximately 59% of our apparel and accessories products manufactured in Jordan, Vietnam, Cambodia and Malaysia. Of our 33 primary contract manufacturers, ten produced approximately 62% of our apparel and accessories products. In Fiscal 2023, substantially all of our footwear products were manufactured by eight primary contract manufacturers, operating primarily in Vietnam, Indonesia and China.

All of our manufacturers across all product divisions are evaluated for quality systems, social compliance and financial strength by our internal teams before being selected and on an ongoing basis. Where appropriate, we strive to qualify multiple manufacturers for particular product types and fabrications. We also seek vendors that can perform multiple manufacturing stages, such as procuring raw materials and providing finished products, which helps us control our cost of goods sold. We enter into various agreements with our contract manufacturers, including non-disclosure and confidentiality agreements. We require that manufacturers adhere to our supplier code of conduct regarding manufacturing quality, working conditions and other social, labor and sustainability-related matters. However, we do not have any long term agreements requiring us to utilize any particular manufacturer, and no manufacturer is required to produce our products for the long term. We have subsidiaries strategically located near our key partners to support our manufacturing, quality assurance and sourcing efforts.

### **Inventory Management**

Inventory management is important to the financial condition and operating results of our business. We manage our inventory levels based on existing orders, anticipated sales and the rapid delivery requirements of our customers. Our inventory strategy is focused on meeting consumer demand while improving our inventory efficiency over the long term by putting systems and processes in place to improve our inventory management. These systems and processes, including our global operating and financial reporting information technology system, are designed to improve forecasting and supply planning capabilities. In addition, we strive to enhance our inventory performance by focusing on adding discipline around product purchasing, reducing production lead time and improving planning and execution for selling excess inventory through our Factory House stores and other liquidation channels.

Our practice, and the general practice in the apparel, footwear and accessory industry, is to offer retail customers the right to return defective or improperly shipped merchandise. From time to time, when introducing new products, which often requires large initial launch shipments, we commence production before receiving orders for those products.

### **Intellectual Property**

We own the material trademarks used in connection with the marketing, distribution and sale of our products in the United States and in key international markets where our products are currently sold or manufactured. Our major trademarks include the UA Logo  and UNDER ARMOUR®, both of which are registered in the United States, Canada, Mexico, the United Kingdom, the European Union, Japan, China and numerous other countries. We also own trademark registrations for other trademarks including, among others, UA®, ARMOUR®, HEATGEAR®, COLDGEAR®, PROTECT THIS HOUSE®, I WILL®, and many trademarks that incorporate the term ARMOUR such as ARMOUR FLEECE® and ARMOUR BRA™. We also own registrations to protect our connected fitness branding such as MapMyFitness® and associated MapMy marks. We own domain names for our primary trademarks (most notably underarmour.com and ua.com) and hold copyright registrations for several commercials, as well as for certain artwork. We intend to continue to strategically register, both domestically and internationally, trademarks and copyrights we utilize today and those we develop in the future. We will continue to aggressively police our trademarks and pursue those who infringe, both domestically and internationally.

We believe the distinctive trademarks we use in connection with our products are important in building our brand image and distinguishing our products from those of others. These trademarks are among our most valuable assets. In addition to our distinctive trademarks, we also place significant value on our trade dress, which is the overall image and appearance of our products, and we believe our trade dress helps to distinguish our products in the marketplace. We also have copyright protection covering various designs and other original works.

We apply for, own and maintain utility and design patents that protect certain technologies, materials, manufacturing processes, product features and industrial and aesthetic designs. These patents cover various footwear, apparel, accessories, equipment and digital applications. However, we traditionally have had limited patent protection on some of the technology, materials and processes used in the manufacture of our products. In addition, patents are important with respect to our innovative products and investments. As we continue to expand and drive innovation in our products, we seek patent protection on products, features and concepts we believe to be strategic and important to our business. We will continue to file patent applications where we deem appropriate to protect our new products, innovations and designs that align with our corporate strategy.

## **Competition**

The market for performance apparel, footwear and accessories is highly competitive and includes many new competitors as well as increased competition from established companies expanding their production and marketing of performance products. Our most direct competitors include, among others, NIKE, Adidas, Puma and lululemon athletica, which are large apparel and footwear companies with strong worldwide brand recognition and significantly greater resources than us. Within our international markets, we also compete with local brands that may have stronger brand recognition regionally. Many of the fabrics and technology used in manufacturing our products are not unique to us, and we own a limited number of fabric or process patents. We also compete with other manufacturers, including those specializing in performance apparel and footwear, and private label offerings of certain retailers, including some of our wholesale customers.

In addition, we must compete with others for purchasing decisions, as well as limited floor space at retailers. We believe we have been successful in this area because of the relationships we have developed and the strong sales of our products. However, if retailers earn higher margins from our competitors' products or their own private label offerings, they may favor the display and sale of those products.

We believe we have been able to compete successfully because of our brand image and recognition, the performance and quality of our products and our selective distribution policies. We also believe our focus on athletic performance product style and merchandising differentiates us from our competition. In the future we expect to compete for consumer preferences and may face greater competition on pricing. This may favor larger competitors with lower production costs per unit that can spread the effect of price discounts across a larger array of products and across a larger customer base than ours. The purchasing decisions of consumers for our products often reflect highly subjective preferences that can be influenced by many factors, including advertising, media, product sponsorships, product improvements, preferences for inclusive products and brands and changing styles and trends.

## **Sustainability**

At Under Armour, our mission is to make athletes better. Our sustainability strategy sets forth our long-term commitment to finding new ways to drive performance through sustainable innovations that not only deliver a better product for athletes, but also a better world. Our sustainability strategy is centered around three interconnected pillars—products, home field and team. Within these pillars, our strategy focuses on enabling materials innovation to bring about a more circular system, leaving our planet and shared spaces bettered by our presence. Additionally, our strategy focuses on championing diversity, equity and inclusion and human rights within our company, with our suppliers and their workers and in communities across our entire supply chain.

We have always been focused on product innovation, and we are challenging ourselves to be more innovative to improve our existing materials and to create new materials that meet our athletes' expectations—all while using circular design principles to expand our products' sustainability attributes and while reducing the impact of our design, development and manufacturing processes on the environment. We are exploring more ways to use digital technology to elevate the experience of our customers and consumers while also reducing the impact of our operations on the environment. Increasingly, we are working with our supply chain to embed sustainable practices, and be mindful about the sustainability profiles of key raw materials.

In Fiscal 2021, we publicly announced certain environmental and sustainability goals for 2025, 2030 and 2050 that focus on reducing our greenhouse gas emissions and increasing our annual sourcing of renewable electricity in our owned and operated facilities. In Fiscal 2023, we published our 2021 Sustainability & Impact Report, which can be found on our website. Aligned with Global Reporting Initiative and Sustainable Accounting Standard Board industry standards, our 2021 Sustainability & Impact Report outlines our 23 goals and targets across the three pillars of our sustainability strategy and describes our progress toward a more sustainable future.

## **Human Capital Management**

Under Armour is led by its purpose—*We Empower Those Who Strive for More*—and our teammates, who bring their different backgrounds, experiences and perspectives, are central to driving our long-term success as an organization and brand. Consistent with our purpose, we believe that our brand is stronger when our collective team is fully engaged and working together to support our athletes around the world. We also believe that having an engaged, diverse and committed workforce not only enhances our culture, it drives our business success, ultimately helping us to deliver the most innovative products that make athletes better. Our human capital management strategy is therefore focused on creating an inclusive workplace where our teammates can thrive by attracting, developing and retaining talent through a competitive total rewards program, numerous development opportunities and a diverse, inclusive and engaging work environment.

As of March 31, 2023, we had approximately 15,000 teammates worldwide, including approximately 10,000 in our Brand and Factory House stores and approximately 1,400 at our distribution facilities. Approximately 7,400 of our teammates were full-time. Of our approximately 7,400 part-time teammates, approximately 6% were seasonal teammates. Our total number of teammates fluctuates throughout the year, with a significant increase in seasonal teammates during the third quarter of each fiscal year.

### *Diversity, Equity and Inclusion*

Our commitment to diversity, equity and inclusion starts at the top with a highly skilled and diverse Board of Directors. Our Board of Directors has ongoing oversight of our human capital management strategies and programs and regularly reviews our progress towards achieving our diversity, equity and inclusion goals.

We have set measurable, time-bound goals for improving diversity amongst our team, including a commitment to increase the number of historically underrepresented teammates throughout the levels of leadership within our organization. These goals are publicly outlined on our corporate website, where we also publish our representation statistics annually. We are also committed to continuing to increase representation of women in key areas of our business particularly in leadership, commercial and technical roles globally. Our annual incentive plan for all teammates, including executives, incorporates performance measures in furtherance of our diversity, equity and inclusion goals.

As of March 31, 2023:

- the race and ethnicity of our teammate population in the United States, including teammates in our Brand and Factory House stores and our distribution facilities, was 47% White, 24% Hispanic or Latino, 17% Black or African American, 8% Asian and 4% other;
- the race and ethnicity of our "director" level and above positions in the United States was 75% White, 5% Hispanic or Latino, 9% Black or African American, 8% Asian and 3% other; and
- 53% of our global teammates were women, and women represented 42% of our "director" level and above positions globally.

In addition to building a more diverse team, we believe fostering an inclusive and ethical culture is key to our values and who we are as an organization. We believe open lines of communication are critical to fostering this environment. This starts with "tone at the top" and we emphasize the importance of our Code of Conduct and encourage our teammates to "speak-up" when they have concerns and provide multiple reporting mechanisms for them to do so. We require unconscious bias training for all of our corporate teammates and our retail and distribution facility leadership, including training focused on promoting diversity during our new-hire interview process. In Fiscal 2023, we continued a company-wide virtual series to facilitate meaningful conversations on anti-racism and social justice issues. For our senior leadership, we require mandatory training on cultural competency and building inclusive environments. In addition to our broader professional development programs described more fully below, we also invest in programs specifically for our historically underrepresented and women teammates to improve retention and advancement. We currently have nine teammate-led Teammate Resource Groups, which amplify business initiatives, provide networking opportunities, support community outreach and promote cultural awareness. In addition, we have an internal diversity, equity and inclusion council, known as the Global T.E.A.M.

(Teammate Equity and Accountability Movement) Council, which consists of "director" level and above corporate teammates and focuses on fostering a diverse and inclusive work environment across our organization.

#### *Total Rewards*

Our total rewards strategy is focused on providing market competitive and internally equitable total rewards packages that allow us to attract, engage and retain a talented, diverse and inclusive workforce. In determining our compensation practices, we focus on offering competitive pay that is based on market data with packages that appropriately reflect roles and geographic locations and are transparently communicated. We believe in "pay for performance" and seek to design plans and programs to support a culture of high performance where we reward what is accomplished and how. We are also committed to achieving pay equity within all teammate populations, and with the assistance of third-party experts, conduct an annual review of pay equity and market comparison data. When we identify opportunities, we take prompt actions to close any gaps.

Our total rewards programs, which are outlined on the careers page of our corporate website, are aimed at the varying health, financial and home-life needs of our teammates. In the United States, where approximately 65% of our workforce is located, in addition to market-competitive pay and broad-based bonuses, our full-time teammates are eligible for healthcare benefits; health savings accounts; flexible spending accounts; retirement savings plan; paid time off; caregiver leave; adoption assistance; child and adult care resources; flexible work schedules; short and long term disability; life and accident insurance; tuition assistance; fitness benefits at on-site gyms or eligible fitness programs; commuter benefits; Under Armour merchandise discounts; and a Work-Life Assistance Program. We have implemented a hybrid working model where many of our global corporate teammates are designated as in-office for a certain number of days each week and remote for the remainder, allowing us to provide our teammates flexibility while still achieving our objectives. We believe in promoting alignment between our teammates and stockholders. As such, these teammates are also eligible to participate in our Employee Stock Purchase Plan, and corporate teammates within our "director" level and above positions receive restricted stock unit awards as a key component of their total compensation package. Outside of the United States, we provide similarly competitive benefit packages to those of our U.S. teammates but tailored to market-specific practices and needs.

We believe that giving back to the communities where we live and work is central to our culture. In addition to competitive time off benefits, our full-time teammates also receive 40 hours of additional paid time off each year for personal volunteer activities performed during working hours.

#### *Talent Development and Engagement*

Our purpose of empowering those who strive for more is embodied in our commitment to helping our teammates develop their skills, grow their careers and achieve their goals. We believe our investment in these areas enhances our teammate engagement, improves the efficiency and productivity of our work and ultimately drives better results for our business. We prioritize and invest in a wide range of training and development opportunities for teammates at all levels, including through both online and instructor-led internal and external programs. All of our teammates have access to an online learning platform and knowledge database, Armour U, which offers an extensive, regularly updated library of seminars on a variety of topics. We provide our corporate teammates two meeting-free days per year designated to focusing on professional development. We also offer resources to support individual development planning, including emphasizing development opportunities as part of teammates' annual goal setting process.

We invest in developing the leadership strength and capabilities of people-leaders at all levels. We leverage assessments, mentoring, executive coaching, and interactive training programs across a variety of leadership topics to improve leadership effectiveness and drive the performance of our team. Additionally, through our succession planning efforts, we further focus on talent development for key roles within our organization.

We believe these efforts keep our teammates engaged and motivated to do their best work. However, competition for employees in our industry is intense, and we regularly collect feedback to better understand and improve our teammate experience and identify opportunities to continually strengthen our culture. See "Risk Factors—Business and Operational Risks—Our future success is substantially dependent on the continued service of our senior management and other key employees, and our continued ability to attract and retain highly talented new team members" included in Item 1A of this Annual Report on Form 10-K.

#### *Health and Safety*

We prioritize the health, safety and overall well-being of our teammates. We have policies and trainings in place to ensure a safe workplace environment across our organization, such as our crisis management plan, which prepares us to respond to critical incidents, including those involving our teammates. Throughout the COVID-19 pandemic, we continued to invest in the health and safety of our teammates by implementing COVID-19 protection

and prevention measures at our distribution houses, Brand and Factory House retail stores and corporate offices, as well as providing a variety of additional physical, emotional and mental well-being resources.

**Information About Our Executive Officers**

Our executive officers are:

Name	Age	Position
Kevin Plank	50	Executive Chair and Brand Chief
Stephanie Linnartz	55	President and Chief Executive Officer
Colin Browne	58	Chief Operating Officer
David Bergman	50	Chief Financial Officer
David Baxter	56	President of the Americas
Lisa Collier	58	Chief Product Officer
Tchernavia Rocker	49	Chief People and Administrative Officer
Mehri Shadman-Valavi	41	Chief Legal Officer and Corporate Secretary

*Kevin Plank* has been Executive Chair and Brand Chief since January 2020. Prior to that, he served as Chief Executive Officer and Chair of the Board of Directors from 1996, when he founded our Company, to 2019, and President from 1996 to July 2008 and August 2010 to July 2017. Mr. Plank also serves on the Board of Directors of the National Football Foundation and College Hall of Fame, Inc., and is a member of the Board of Trustees of the University of Maryland College Park Foundation.

*Stephanie Linnartz* has been President and Chief Executive Officer and a member of our Board of Directors since February 2023. Before joining Under Armour, Ms. Linnartz served as the President of Marriott International, Inc. beginning in February 2021. Prior to her role as President, she served as Marriott’s Group President Consumer Operations, Technology and Emerging Businesses from 2020 to 2021, and as Marriott’s Executive Vice President and Global Chief Commercial Officer from 2013 to 2019. Ms. Linnartz joined Marriott as a financial analyst in 1997, and held several positions in finance before moving into sales and marketing. Ms. Linnartz also serves on the Board of Directors of The Home Depot, Inc. and is a member of its Audit and Leadership Development & Compensation Committees.

*Colin Browne* has been Chief Operating Officer since February 2020. He served as interim President and Chief Executive Officer from June 2022 through February 2023. Previously, he served as Chief Supply Chain Officer from July 2017 to January 2020 and President of Global Sourcing from September 2016 to June 2017. Prior to joining our Company, he served as Vice President and Managing Director for VF Corporation, leading its sourcing and product supply organization in Asia and Africa from November 2013 to August 2016 and as Vice President of Footwear Sourcing from November 2011 to October 2013. Prior thereto, Mr. Browne served as Executive Vice President of Footwear and Accessories for Li and Fung Group LTD from September 2010 to November 2011 and Chief Executive Officer, Asia for Pentland Brands PLC from April 2006 to January 2010. Mr. Browne has over 25 years of experience leading sourcing efforts for large brands.

*David Bergman* has been Chief Financial Officer since November 2017. Mr. Bergman joined our Company in 2004 and has served in various Finance and Accounting leadership roles for the Company, including Corporate Controller from 2006 to October 2014, Vice President of Finance and Corporate Controller from November 2014 to January 2016, Senior Vice President, Corporate Finance from February 2016 to January 2017, and acting Chief Financial Officer from February 2017 to November 2017. Prior to joining the Company, Mr. Bergman worked as a C.P.A. within the audit and assurance practices at Ernst & Young LLP and Arthur Andersen LLP.

*David Baxter* has been President of the Americas since October 2022 and served as SVP, North America Wholesale from April 2020 to October 2022. Before joining Under Armour, Mr. Baxter served as President and CEO of LIDS Sports Group from June 2016 through February 2019. From March 2010 through June 2014, he was Vice President of adidas’s America’s Sport Performance division, where he directed the North American product and marketing strategies for sport performance categories, and prior to that oversaw all of adidas and Reebok’s sports licensed businesses with the major U.S. professional sports leagues. Prior to that, Mr. Baxter spent nine years at Reebok, where he held various roles, including key leadership roles within Reebok’s on-field and sports licensed divisions. Earlier in his career, he held various senior level sales positions at Logo Athletic.

*Lisa Collier* has been Chief Product Officer since April 2020. Prior to joining our Company, Ms. Collier served as President, Chief Executive Officer and Chairman of NYDJ (Not Your Daughter’s Jeans) from June 2016 to

January 2020. Prior thereto, Ms. Collier served as Executive Vice President and President of Global Dockers Brand of Levi Strauss & Company from July 2013 to May 2016 and as Chief Transformation Officer from October 2013 to January 2015. Ms. Collier also served as Senior Vice President of Product Development and Innovation across all brands from 2012 to 2013, Senior Vice President Global Dockers Merchandising, Licensing, Supply Chain from 2010 to 2012, as Managing Director and General Manager of Levi Strauss Australia and New Zealand from 2007 to 2011, and prior to that in various other leadership roles at Levi Strauss & Company. Ms. Collier served in various leadership roles at Sunrise Brands (formerly Tarrant Apparel Group) from 1999 to 2003. She also served in various merchandising positions at The Limited from 1987 to 1999 and started her career in retail and apparel at Hess's Department Store.

*Tchernavia Rocker* has been Chief People and Administrative Officer since June 2020. Prior to that she served as Chief People and Culture Officer from February 2019 to May 2020. Prior to joining our Company, she served more than 18 years in Human Resources leadership roles at Harley-Davidson, Inc., most recently as Vice President and Chief Human Resources Officer from June 2016 through January 2019, as General Manager, Human Resources from January 2012 through May 2016, and in various other Human Resources leadership positions since joining the company in 2000. Prior to that, she served in various HR and operations roles at Goodyear Dunlop North America Tire Inc.

*Mehri Shadman* has been Chief Legal Officer and Corporate Secretary since October 2022. Ms. Shadman joined Under Armour in 2013 and served as Assistant Corporate Secretary from January 2017 to October 2022. Most recently she held the role of Deputy General Counsel, Corporate and Risk, overseeing the corporate legal, global ethics and compliance, data privacy, and enterprise risk management functions, and served as Vice President within the legal department from March 2019 through October 2022. Prior to that, she served as Senior Director, Managing Counsel, Corporate Affairs from January 2017 to February 2019. Before joining Under Armour, Ms. Shadman began her career as an associate at a large international law firm, in its capital markets practice.

## Available Information

We will make available free of charge on or through our website at <https://about.underarmour.com/> our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") as soon as reasonably practicable after we electronically file these materials with the Securities and Exchange Commission. We also post on this website our key corporate governance documents, including our board committee charters, our corporate governance guidelines and our code of conduct and ethics.

## ITEM 1A. RISK FACTORS

Our results of operations and financial condition could be adversely affected by numerous risks. You should carefully consider the risk factors detailed below in conjunction with the other information contained in this Annual Report on Form 10-K. Should any of these risks actually materialize, our business, financial condition, results of operations and future prospects could be negatively impacted.

### *Economic and Industry Risks*

**Our business depends on consumer purchases of discretionary items, which can be negatively impacted during an economic downturn or periods of inflation. This could materially impact our sales, profitability and financial condition.**

Many of our products may be considered discretionary items for consumers. Many factors impact discretionary spending, including general economic conditions, unemployment, the availability of consumer credit and inflationary pressures and consumer confidence in future economic conditions. Global and U.S. economic conditions continue to be uncertain, particularly in light of rising interest rates, recession fears and instability in the U.S. banking system. Consumer purchases of discretionary items tend to decline during recessionary periods when disposable income is lower or during other periods of economic instability or uncertainty, which may lead to declines in sales and slow our long-term growth expectations. Any near or long-term economic disruptions in markets where we sell our products, particularly in the United States, China or other key markets, may materially harm our sales, profitability and financial condition and our prospects for growth.

**The COVID-19 pandemic has caused and may continue to cause significant disruption in our industry, which has and may continue to materially impact our business, financial condition and results of operations.**

Our business has been and may continue to be materially impacted by the COVID-19 pandemic, which has negatively affected the U.S. and global economies, disrupted global supply chains and financial markets, and led to significant travel and business restrictions, including mandatory closures, orders to "shelter-in-place" and restrictions on how businesses operate. The pandemic had an adverse impact on our business and results of operations, particularly in Fiscal 2020, and although conditions improved during Fiscal 2021, the Transition Period and Fiscal 2023, adverse impacts may continue. The extent of the impact of the COVID-19 pandemic on our business and financial performance will depend on future developments, including any resurgences, which are uncertain and cannot be predicted.

During Fiscal 2020, the COVID-19 pandemic resulted in temporary closures of our retail stores and the stores of our wholesale customers where our products are sold, reduced consumer traffic and consumer spending, temporary layoffs of certain employees in our North America retail stores and distribution centers and incremental operating expenses from adopting preventative health and safety measures in our stores, distribution centers and corporate offices. These negative impacts may continue or resurface depending on the ongoing development of the virus and related responses including resurgences and the impact of variants. For example, during Fiscal 2023, ongoing impacts of the COVID-19 pandemic in China caused labor disruptions resulting in temporary closures of our Brand and Factory House stores, distribution centers and corporate facilities, as well as negatively impacted consumer traffic and demand. Although, as of March 31, 2023, substantially all of our Brand and Factory House stores, distribution centers and corporate facilities in China were open, we may continue to experience varying degrees of volatility, business disruptions and periods of closure, which may continue to negatively impact our financial results.

The disruption caused by the pandemic has and may continue to disrupt the operations of our business partners, including our customers, suppliers, and vendors, and the financial condition of certain of our partners has been and could again be significantly impacted. Additionally, the COVID-19 pandemic has caused and may continue to cause global logistical challenges, including increased freight costs, shipping container shortages, transportation delays, labor shortages and port congestion. While we continue to see improvements across our supply chain, these challenges have and may continue to negatively impact our partners and our business, including by disrupting our inventory flow, requiring us to incur increased freight costs and requiring us to cancel or delay sales to some of our customers. This has and may continue to negatively impact our net revenues, gross margin, net income and results of operations.

The COVID-19 pandemic and resulting economic disruption also led to significant volatility in the capital markets and adversely impacted our stock price. While we have taken measures to maintain our operations and preserve and enhance our access to liquidity, our cash generated from operations was negatively impacted during certain periods of the pandemic and future cash flows may be further impacted by the ongoing development of the pandemic. If we are unable to effectively manage our spending in response to the pandemic, our profitability may be negatively impacted.

The impact of the COVID-19 pandemic may also exacerbate other risks discussed below, any of which could have a material effect on us. Though we continue to monitor the latest developments regarding the COVID-19 pandemic closely, we are unable to predict the extent of any continued impact of the pandemic on our business, operations and financial condition due to the uncertainty of future developments, including the impact of resurgences, and additional impacts may arise that we are not aware of currently.

**We operate in highly competitive markets and the size and resources of some of our competitors may allow them to compete more effectively than we can, resulting in a loss of our market share and a decrease in our net revenues and gross profit.**

The market for performance apparel, footwear and accessories is highly competitive and includes many new competitors, as well as increased competition from established companies expanding their production and marketing of performance products. Many of our competitors are large apparel and footwear companies with strong worldwide brand recognition. Within our international markets, we also compete with local brands that may have strong brand recognition amongst consumers within particular regions. Due to the fragmented nature of the industry, we also compete with other manufacturers, including those specializing in products similar to ours and private label offerings of certain retailers, including some of our wholesale customers. Many of our competitors have significant competitive advantages, including greater financial, distribution, marketing, digital and other resources; longer

operating histories; better brand recognition among consumers; more experience in global markets; greater ability to invest in technology, the digital consumer experience and innovations around sustainability; and greater economies of scale. In addition, our competitors have long-term relationships with our key retail customers that are potentially more important to those customers because of the significantly larger volume and product mix that our competitors sell to them. As a result, these competitors may be better equipped than we are to influence consumer preferences or otherwise increase their market share by quickly adapting to changes in customer requirements or consumer preferences, discounting excess inventory that has been written down or written off, devoting resources to the marketing and sale of their products, including significant advertising, media placement, partnerships and product endorsement, adopting aggressive pricing policies and engaging in lengthy and costly intellectual property and other disputes.

In addition, while one of our growth strategies has been to increase floor space for our products in retail stores and in certain markets expand our distribution to other retailers, retailers have limited resources and floor space, and we must compete with others to develop relationships with them. Increased competition could result in reductions in floor space in retail locations or reductions in sales or reductions in the prices of our products, and if retailers have better sell through or earn greater margins from our competitors' products, they may favor the display and sale of those products. Our inability to compete successfully against our competitors and maintain our gross margin could have a negative effect on our brand image and a material adverse effect on our business, financial condition and results of operations.

**Our profitability may decline or our growth may be negatively impacted as a result of increasing pressure on pricing.**

Our industry is subject to significant pricing pressure caused by many factors, including intense competition, consolidation in the retail industry, pressure from retailers to reduce the costs of products, the amount of excess inventory in the marketplace and changes in consumer demand. These factors may cause us to reduce our prices to retailers and consumers or engage in more promotional activity than we anticipate, which could negatively impact our margins and cause our profitability to decline if we are unable to offset price reductions with comparable reductions in our operating costs. Ongoing and sustained promotional activities could negatively impact our brand image. On the other hand, if we are unwilling to engage in promotional activity on a scale similar to that of our competitors, for instance, to protect our premium brand positioning, and unable to simultaneously offset declining promotional activity with increased sales at premium price points, our ability to achieve short-term growth targets may be negatively impacted, which could have a material adverse effect on our results of operations, financial condition and the price of our stock.

**Fluctuations in the cost of raw materials and commodities we use in our products and costs related to our supply chain could negatively affect our operating results.**

The fabrics used by our suppliers and manufacturers are made of raw materials including petroleum-based products and cotton. Significant price fluctuations, including due to inflation, or shortages in petroleum or other raw materials can materially adversely affect our cost of goods sold. In addition, certain of our manufacturers are subject to government regulations related to wage rates, and therefore the labor costs to produce our products may fluctuate. The cost of transporting our products for distribution and sale is also subject to fluctuation due in large part to the price of oil. Because most of our products are manufactured abroad, our products must be transported by third parties over large geographical distances and an increase in the price of oil can significantly increase costs. Manufacturing delays or unexpected transportation delays, such as those caused by COVID-19 related global logistics challenges, have caused and may continue to cause us to rely more heavily on airfreight to achieve timely delivery to our customers. These factors have and may continue to significantly increase our freight costs. Any of these fluctuations may increase our cost of products and have an adverse effect on our profit margins, results of operations and financial condition.

**Our financial results and ability to grow our business may be negatively impacted by global events beyond our control.**

We operate retail, distribution and warehousing facilities and offices around the world and substantially all of our manufacturers are located outside of the United States. We are subject to numerous risks and global events beyond our control which could negatively impact consumer spending or the operations of us or our customers or business partners, and therefore our results of operations, including: political or labor unrest; military conflict (such as the ongoing conflict between Russia and Ukraine); terrorism; public health crises, disease epidemics or pandemics (such as COVID-19); natural disasters and extreme weather conditions, which may increase in

frequency and severity due to climate change; economic instability resulting in the disruption of trade from foreign countries; the imposition of new laws, regulations and rules, including those relating to sustainability and climate change, data privacy, labor conditions, minimum wage, quality and safety standards and disease epidemics or other public health concerns; changes in trade policy or actions of foreign or U.S. governmental authorities impacting trade and foreign investment, particularly during periods of heightened tension between U.S. and foreign governments, including the imposition of new import limitations, duties, tariffs, anti-dumping penalties, trade restrictions or restrictions on the transfer of funds; inflation; and changes in local economic conditions in countries where our stores, customers, manufacturers and suppliers are located.

These risks could hamper our ability to sell products, negatively affect the ability of our manufacturers to produce or deliver our products or procure materials and increase our cost of doing business generally, any of which could have an adverse effect on our results of operations, profitability, cash flows and financial condition. In the event that one or more of these factors make it undesirable or impractical for us to conduct business in a particular country, our business could be adversely affected.

### ***Business and Operational Risks***

**We derive a substantial portion of our sales from large wholesale customers. If the financial condition of our customers declines, our financial condition and results of operations could be adversely impacted.**

In Fiscal 2023, sales through our wholesale channel represented approximately 59% of our net revenues. We extend credit to our wholesale customers based on an assessment of a customer's financial condition, generally without requiring collateral or getting customer insurance against non-collection. We face increased risk of order reduction or cancellation and around collectibility when dealing with financially ailing customers or customers struggling with economic uncertainty. As a result of the COVID-19 pandemic, many of our wholesale customers throughout the world had to temporarily close their stores or operate their stores under significant restrictions and experienced reduced consumer traffic and purchasing, which resulted in lower sales and cancellations of orders of our products. If our wholesale customers again experience significant disruptions, this could result in reductions or cancellations of orders or late or extended payment terms to us, which could negatively impact our results of operations. In addition, during weak economic conditions, such as periods of high inflation and recessionary fears, customers may be more cautious with orders or may slow investments necessary to maintain a high quality in-store experience for consumers, which may result in lower sales of our products. Furthermore, a slowing economy in our key markets or a continued decline in consumer purchases of sporting goods generally could have an adverse effect on the financial health of our company.

From time to time, certain of our customers have experienced financial difficulties and we have been unable to collect all or a portion of the amounts owed to us. To the extent one or more of our customers experience significant financial difficulty, bankruptcy, insolvency or cease operations, this could have a material adverse effect on our sales, our ability to collect on receivables and our financial condition and results of operations.

**We may not successfully execute our long-term strategies, which may negatively impact our results of operations.**

Our ability to realize our long-term growth objectives depends, in part, on our ability to successfully execute strategic initiatives in key areas including our wholesale, footwear, women's and direct-to-consumer businesses. With respect to our direct-to-consumer business, our growth depends on our ability to continue to successfully grow our digital offerings and experiences throughout the world, expand our global network of Brand and Factory House stores and continue to increase our product offerings and market share in footwear successfully. Our ability to invest in these growth initiatives could be negatively impacted if we again experience significant market disruption due to COVID-19 or other significant events, particularly if our North America business, which represented 65% of our total net revenues in Fiscal 2023, does not grow sufficiently. In addition, as we expand our global network of Brand and Factory House stores, if we are unable to operate our stores profitably, our financial results could be impacted, or we could be required to recognize impairment charges. Our long-term strategy also depends on our ability to successfully drive expansion of our gross margins, manage and leverage our cost structure and drive return on our investments. If we cannot effectively execute our long-term growth strategies while managing costs effectively, our business could be negatively impacted and we may not achieve our expected results of operations.

**If we are unable to anticipate consumer preferences, successfully develop and introduce new, innovative and updated products or engage our consumers, or if consumer preferences shift away from performance products, our sales, net revenues and profitability may be negatively impacted.**

Our success depends on our ability to identify and originate product trends and anticipate and react to changing consumer demands in a timely manner. All of our products are subject to changing consumer preferences that shift rapidly and cannot be predicted with certainty. In addition, consumers are increasingly focused on the environmental and social practices of brands, including the sustainability of the products sold. Our ability to adequately react to and address consumer preferences depends in part upon our continued ability to develop and introduce innovative, high-quality products and to optimize available consumer data. In addition, long lead times for certain of our products may make it hard for us to respond quickly to changes in consumer demands. Accordingly, our new products may not receive consumer acceptance. From time to time, we may also introduce limited run or specialized products that may increase our sales in the near term, but that may fail to maintain sustained consumer demand. If consumers are not convinced performance apparel, footwear and accessories are a better choice than, and worth the additional cost over, traditional alternatives, sales of performance products may not grow or may decline. We also must successfully design and market our performance products for use by consumers in casual occasions. If we are unable to effectively anticipate and respond to consumer preferences as a result of any of these factors, our brand image could be negatively impacted, and our sales, net revenues, profitability and long-term growth plans may be negatively impacted.

**Consumer shopping and engagement preferences and shifts in distribution channels continue to evolve and if we fail to adapt accordingly our results of operations or future growth could be negatively impacted.**

Consumer preferences regarding the shopping experience and how to engage with brands continue to rapidly evolve. We sell our products through a variety of channels, including through wholesale customers and distribution partners, as well as our own direct-to-consumer business consisting of our Brand and Factory House stores and e-commerce platforms. If we or our wholesale customers do not provide consumers with an attractive in-store experience, our brand image and results of operations could be negatively impacted. In addition, as part of our growth strategy, we are investing significantly in enhancing our online platform capabilities, implementing systems to evolve towards a more omni-channel approach to service our consumers and establishing and growing consumer loyalty programs in certain regions. We are also investing in capabilities and tools to drive higher digital engagement with our consumers and create new digital experiences. If we do not successfully execute this strategy or continue to provide an engaging, reliable and user-friendly digital commerce platform or digital experiences that attract consumers, our brand image, and results of operations, as well as our opportunities for future growth, could be negatively impacted.

**A decline in sales to, or the loss of, one or more of our key customers could result in a material loss of net revenues and negatively impact our prospects for growth.**

We generate a significant portion of our wholesale revenues from sales to our largest customers. We currently do not enter into long-term sales contracts with our key customers, relying instead on our relationships with these customers and on our position in the marketplace. As a result, we face the risk that these key customers may not increase their business with us as we expect, or may significantly decrease their business with us or terminate their relationship with us. The failure to increase or maintain our sales to these customers as much as we anticipate would have a negative impact on our growth prospects and any decrease or loss of these key customers' business could result in a material decrease in our net revenues and net income or loss. In addition, our customers continue to experience ongoing industry consolidation, particularly in the sports specialty sector. As this consolidation continues, it increases the risk that if any one customer significantly reduces their purchases of our products, we may be unable to find sufficient alternative customers to continue to grow our net revenues, or our net revenues may decline materially. In addition, we may from time to time exit relationships with certain wholesale customers to further drive our premium brand position or for other reasons. This may negatively impact our net revenues if we are unable to replace those sales with additional sales to our other customers or direct sales to consumers.

**The value of our brand and sales of our products could be diminished if we are associated with negative publicity.**

Our business could be adversely impacted if negative publicity regarding our brand, our company or our business partners diminishes the appeal of our brand to consumers. For example, while we require our suppliers, manufacturers and licensees of our products to operate their businesses in compliance with applicable laws and

regulations, as well as the social and other standards and policies we impose on them, including our code of conduct, we do not control the conduct of these third parties. A violation, or alleged violation of our policies, labor laws or other laws could interrupt or otherwise disrupt our sourcing or damage our brand image. Negative publicity regarding production methods, alleged practices or workplace or related conditions of any of our suppliers, manufacturers or licensees could adversely affect our reputation and sales and force us to locate alternative suppliers, manufacturers or licensees. The risk that our business partners may not act in accordance with our expectations may be exacerbated in markets where our direct sales, supply chain or logistics operations are not as widespread. In addition, we have sponsorship contracts with a variety of athletes, teams and leagues, and many athletes and teams use our products. From time to time, we also enter into collaborative arrangements with athletes, designers or other partners. Negative publicity regarding these partners could negatively impact our brand image and result in diminished loyalty to our brand, regardless of whether such claims are accurate. Furthermore, social media can potentially accelerate and increase the scope of negative publicity. This could diminish the value of our proprietary rights or harm our reputation or have a negative effect on our sales and results of operations.

**We must successfully manage the increasingly complex operations of our global business, including continued expansion in certain markets where we have limited brand recognition, or our business and results of operations may be negatively impacted.**

Part of our growth strategy depends on our continued expansion outside of North America, and we have limited brand recognition and operating experience in certain regions. We must continue to successfully manage the operational difficulties associated with expanding our business to meet increased consumer demand throughout the world. We have limited experience with regulatory requirements and market practices in certain regions outside of North America, and may face difficulties expanding into and successfully operating in those markets, including differences in regulatory environments, labor and market practices, and difficulties in keeping abreast of market, business and technical developments and consumers' tastes and preferences. We must also continually evaluate the need to expand critical functions in our business, including sales and marketing, product development and distribution functions, our management information systems and other processes and technology. We may not manage these efforts cost-effectively or these efforts could increase the strain on our existing resources. If we experience difficulties in supporting the growth of our business, we could experience an erosion of our brand image or operational challenges leading to a decrease in net revenues and results from operations.

**Our results of operations could be materially harmed if we are unable to accurately forecast demand for our products.**

To ensure adequate inventory supply, we must forecast inventory needs and place orders with our manufacturers based on estimated future demand for particular products, and before firm orders are placed by our wholesale customers. In addition, a portion of our net revenues may be generated by at-once orders for immediate delivery to wholesale customers, particularly during the last two quarters of the calendar year, which historically has been our peak season. If we fail to accurately forecast customer demand we may experience excess inventory levels or a shortage of product to deliver to our wholesale customers or for our direct-to-consumer channel. Excess inventory may result in inventory write-downs or write-offs or sales at discounted prices or in less preferred distribution channels, negatively impacting gross margin. On the other hand, if we underestimate the demand for our products, our manufacturers may not be able to produce products to meet our customer requirements, resulting in delays in the shipment of our products and our ability to recognize revenue, lost sales, as well as damage to our reputation and wholesale and consumer relationships.

Factors that could affect our ability to accurately forecast demand for our products include: changing consumer demand for our products; product introductions by competitors; unanticipated changes in general market or economic conditions or other factors, which may result in cancellations of advance orders or a reduction or increase in the rate of reorders or at-once orders placed by retailers; the impact on consumer demand due to unseasonable weather conditions, which may become more frequent or severe as a result of climate change; and terrorism or acts of war, or the threat thereof, political or labor instability or unrest or public health concerns and disease epidemics, such as the current COVID-19 pandemic.

The difficulty in forecasting demand also makes it difficult to estimate our future results of operations and financial condition from period to period. A failure to accurately predict the level of demand for our products could adversely impact our profitability or cause us not to achieve our expected financial results.

**We rely on third-party suppliers and manufacturers to provide raw materials for and to produce our products, and we have limited control over these suppliers and manufacturers and may not be able to obtain quality products on a timely basis or in sufficient quantity.**

Many of the materials used in our products are technically advanced products developed by third parties and may be available, in the short-term, from a very limited number of sources. Substantially all of our products are manufactured by unaffiliated manufacturers, and, in Fiscal 2023, ten manufacturers produced approximately 65% of our apparel and accessories products, and six produced substantially all of our footwear products. We have no long-term contracts with our suppliers or manufacturing sources, and we compete with other companies for fabrics, raw materials and production capacity.

A number of factors may require us to seek alternative or additional suppliers, which we may not be able to do in a timely or cost-effective manner. We may experience a significant disruption in the supply of fabrics or raw materials from current sources or, in the event of a disruption, we may be unable to locate alternative materials suppliers of comparable quality at an acceptable price, or at all. Moreover, our suppliers may not be able to fill our orders in a timely manner depending on market conditions or increased demand for product. For example, in Fiscal 2021, certain of our manufacturers experienced significant financial and operational disruption due to COVID-19, including in key sourcing countries.

We have historically provided supply chain finance support to certain of our supply chain partners. In the past, the financial markets supporting supply chain finance programs experienced disruption that resulted in a temporary disruption to our program and challenged the cash flow and liquidity of our partners. While we worked with our partners through the disruption and have re-established a supply chain finance program, there can be no guarantee that such disruption will not occur again. Additionally, if one or more of our suppliers were to experience significant financial difficulty, bankruptcy, insolvency or cease operations, or failed to comply with applicable labor or other laws, we may be required to seek alternative suppliers.

In addition, if we lose or need to replace an existing manufacturer or supplier as a result of adverse economic conditions or other reasons, additional supplies of fabrics or raw materials or additional manufacturing capacity may not be available when required on terms that are acceptable to us, or at all, or suppliers or manufacturers may not be able to allocate sufficient capacity to us in order to meet our requirements. Even if we are able to expand existing or find new manufacturing or fabric sources, we may encounter delays in production and added costs as a result of the time it takes to train our suppliers and manufacturers on our methods, products and quality control standards. Any delays, interruption or increased costs in the supply of fabric or manufacture of our products could have an adverse effect on our ability to meet retail customer and consumer demand for our products and result in lower net revenues and net income (or higher net loss) both in the short and long term.

We have occasionally received, and may in the future continue to receive, shipments of product that fail to conform to our quality control standards. If we are unable to obtain replacement products in a timely manner, we risk the loss of net revenues resulting from the inability to sell those products and related increased administrative and shipping costs. In addition, because we do not control our manufacturers, products that fail to meet our standards or other unauthorized products could end up in the marketplace without our knowledge, which could harm our brand and our reputation in the marketplace.

**Labor or other disruptions at ports or our suppliers or manufacturers may adversely affect our business.**

Our business depends on our ability to source and distribute products in a timely and cost effective manner. As a result, we rely on the free flow of goods through open and operational ports worldwide and on a consistent basis from our suppliers and manufacturers. Labor disputes and disruptions at various ports or at our suppliers or manufacturers could create significant risks for our business, particularly if these disputes result in work slowdowns, decreased operations, lockouts, strikes or other disruptions during our peak importing or manufacturing seasons. For example, the COVID-19 pandemic caused delays and disruptions at ports due to workforce decreases, shipping backlogs and capacity constraints, container shortages and other disruptions, which resulted in slower than planned deliveries of inventory and delayed sales to customers. Significant delays or disruption in receiving and distributing our products, has had, and may again have, an adverse effect on our business, including canceled orders by customers, unanticipated inventory accumulation or shortages, increased expense (including air freight) to deliver our products and reduced net revenues and net income or higher net loss.

**If we fail to successfully manage or realize expected results from significant transactions or investments, or if we are required to recognize an impairment of our goodwill or other intangible assets, it may have an adverse effect on our results of operations and financial position.**

From time to time, we may engage in acquisition opportunities we believe are complementary to our business and brand. Integrating acquired businesses can require significant efforts and resources, which could divert management attention from more profitable business operations. From time to time we have also disposed of certain assets where we did not think our activities aligned to our operating model. If we fail to successfully integrate acquired businesses or effectively manage dispositions, we may not realize the financial benefits or other synergies we anticipated. In addition, in connection with our acquisitions, we may record goodwill or other intangible assets. We have recognized goodwill impairment charges in the past, and additional goodwill impairment charges could have an adverse effect on our results of operations and financial position. Additionally, from time to time, we may invest in business infrastructure, new businesses and expansion of existing businesses, such as the expansion of our network of Brand and Factory House stores and our distribution facilities, implementing our global operating and financial reporting information technology system, supporting our digital strategy (including our e-commerce platform and loyalty programs), or supporting our corporate infrastructure (including the development of our new global headquarters located in the Baltimore Peninsula, an area of Baltimore previously referred to as Port Covington). These investments require substantial cash investments and management attention, and infrastructure investments may also divert funds from other potential business opportunities. We believe cost effective investments are essential to business growth and profitability. The failure of any significant investment to provide the returns or synergies we expect could adversely affect our financial results.

**Climate change and an increased focus on sustainability issues, including those related to climate change, human rights and diversity, equity and inclusion, may have an adverse effect on our brand, sales of our products and our results of operations.**

There are concerns that increased levels of greenhouse gases in the atmosphere have caused, and may continue to cause, increases in global temperatures, changes in weather patterns and an increase in the frequency and severity of natural disasters and extreme weather events. Climate change has the potential to impact our business in numerous ways. These concerns may impact consumer preferences and, if we fail to adapt accordingly, consumer demand for our product. The physical impacts of climate change, such as an increase in the frequency and severity of storms and flooding, may increase volatility in the supply chain, which could affect the availability, quality and cost of raw materials, and disruption to the production and distribution of our products. In addition, governmental authorities in various countries have proposed, and are likely to continue to propose, legislation and regulation to reduce or mitigate the impacts of climate change. Various countries and regions are following different approaches to the regulation of climate change, which could increase the complexity of, and potential cost related to complying with, such regulations. Any of the foregoing may require us to make additional investments. Failure to monitor, adapt, build resilience and develop solutions against the physical and transitional impacts from climate change may negatively impact our brand and reputation, sales of our products and our results of operations.

Certain customers, consumers, investors and other stakeholders are increasingly focusing on the sustainability and human rights practices of companies, including those related to climate change and diversity, equity and inclusion. If our sustainability and human rights practices do not meet such stakeholder expectations and standards, which continue to evolve, our brand and reputation could be negatively impacted. We have published, and may continue to publish, a sustainability report and other information describing our practices, targets and commitments on a variety of sustainability and human rights matters, including relating to our actions to address climate change, environmental targets and compliance, social and labor policies and practices, human capital management matters (including those relating to diversity, equity and inclusion) and the materials and manufacturing of our products. It is possible that stakeholders may not be satisfied with such disclosures, our sustainability and human rights practices, targets or commitments or the speed or success of their adoption. We may incur additional costs, face market and technological barriers, require additional resources or change investment decisions, which may require us to adjust or restate some or all of our targets and commitments. Any failure, or perceived failure, to meet stakeholder expectations or our targets or commitments could harm our reputation, negatively impact our employee retention or have a negative effect on our sales and results of operations.

**The costs and return on our investments for our sports marketing sponsorships may become more challenging and this could impact the value of our brand image.**

A key element of our marketing strategy has been to create a link in the consumer market between our products and professional, collegiate and young athletes. We have developed licensing and sponsorship agreements with a variety of sports teams and athletes at the collegiate and professional level to be their official supplier of performance apparel and footwear. We have also developed licensing agreements to be an official supplier of footwear and/or performance apparel to a variety of professional sports leagues and clubs. However, as competition in the performance apparel and footwear industry has increased, the costs associated with athlete sponsorships and official supplier licensing agreements, including the costs of obtaining and retaining these sponsorships and agreements, have varied and at times increased greatly. If we are unable to maintain our current association with professional athletes, teams and leagues, or to do so at a reasonable cost, we could lose the on-field authenticity associated with our products, and we may be required to modify and substantially increase our marketing investments.

**If we encounter problems with our distribution system, our ability to deliver our products to the market could be adversely affected.**

We rely on a limited number of distribution facilities for our product distribution. Our distribution facilities utilize computer controlled and automated equipment, which means the operations are complicated and may be subject to a number of risks related to security or computer viruses or malware, the proper operation of software and hardware, power interruptions or other system failures. In addition, because many of our products are distributed from a limited number of locations, our operations could also be interrupted by severe weather conditions, floods, fires or other natural disasters in these locations, as well as labor or other operational difficulties or interruptions, including public health crises or disease epidemics. We maintain business interruption insurance, but it may not adequately protect us from the adverse effects that could be caused by significant disruptions in our distribution facilities or from all types of events causing such disruptions. Significant disruptions could lead to loss of customers or an erosion of our brand image. In addition, our distribution capacity is dependent on the timely performance of services by third parties. This includes the shipping of product to and from our distribution facilities, as well as partnering with third-party distribution facilities in certain regions where we do not maintain our own facilities. From time to time, certain of our partners have experienced and may continue to experience disruptions to their operations, including cyber-related disruptions and disruptions related to the COVID-19 pandemic. If we or our partners encounter such problems, our results of operations, as well as our ability to meet customer expectations, manage inventory, complete sales and achieve objectives for operating efficiencies could be materially adversely affected.

**We rely significantly on information technology and any failure, inadequacy or interruption of that technology could harm our ability to effectively operate our business.**

We rely on our own and our vendors' information technology throughout our business operations, including to design, forecast and order product, manage and maintain our inventory and internal reports, manage sales and distribution, operate our e-commerce website and mobile applications, process transactions, manage retail operations and other key business activities. We also communicate electronically throughout the world with our employees and with third parties, such as customers, suppliers, vendors and consumers. Our operations are dependent on the reliable performance of these systems and technologies and their underlying technical infrastructure, which incorporate complex software. Any of these information systems could fail or experience a service interruption for a number of reasons, including computer viruses, ransomware or other malware, programming errors, hacking or other unlawful activities, disasters or a failure to properly maintain system redundancy or protect, repair, maintain or upgrade the systems. For example, in Fiscal 2021, a remote code execution vulnerability in Apache log4j was identified as affecting large amounts of systems worldwide, including ours. We have not experienced any material operational disruptions related to this event.

From time to time we have experienced, and may continue to experience, operational disruption due to attacks on our systems and those of our vendors. Although we maintain certain business continuity plans, there can be no assurance that our business continuity plans, or those of our vendors, will anticipate all material risks that may arise or will effectively resolve the issues in a timely manner or adequately protect us from the adverse effects that could be caused by significant disruptions in key information technology. The failure of these systems to operate effectively or to integrate with other systems, or a breach in security of these systems could cause delays in product fulfillment and reduced efficiency of our operations, lost sales, the exposure of sensitive business or personal information and damage to the reputation of our brand. Depending on the system and scope of disruption,

in some instances a service interruption or shutdown could have a material adverse impact on our operating activities or results of operations. Remediation and repair of any failure, problem or breach of our key systems or known potential vulnerabilities could require significant capital investments, as well as divert resources and management attention from key projects or initiatives. While we have purchased cybersecurity insurance, there can be no assurance that the coverage would be adequate in relation to any incurred losses. Moreover, as cyber attacks increase in frequency and magnitude, we may be unable to obtain cybersecurity insurance in amounts and on terms we view as appropriate for our operations.

We also heavily rely on information systems to process financial and accounting information for financial reporting purposes. If we experience any significant disruption to our financial information systems that we are unable to mitigate, our ability to timely report our financial results could be impacted, which could negatively impact our stock price.

**Our future success is substantially dependent on the continued service of our senior management and other key employees, and our continued ability to attract and retain highly talented new team members.**

Our future success is substantially dependent on the continued service of our senior management, particularly Kevin Plank, our founder, Executive Chair and Brand Chief, Stephanie Linnartz, our President and Chief Executive Officer, other top executives and key employees who have substantial experience and expertise in our business, including product creation, innovation, sales, marketing, supply chain, informational technology, operational and other support personnel. The loss of the services of our senior management or other key employees could make it more difficult to successfully operate our business and achieve our business goals and could result in harm to key customer relationships, loss of key information, expertise or know-how and unanticipated recruitment and training costs. Changes in our senior management can also disrupt our business. The failure to successfully transition and assimilate key employees could adversely affect our results of operations.

In addition, to profitably grow our business and manage our operations, we will need to continue to attract, retain and motivate highly talented management and other employees with a range of skills, backgrounds and experiences. Competition for experienced and well-qualified employees in our industry is intense and we may not be successful in attracting and retaining such personnel. Additionally, changes to our current and future office environments, adoption of new work models and requirements about when or how often employees work on-site or remotely may fail to meet the expectations of our employees and present new challenges. As certain jobs and employers increasingly operate remotely, traditional geographic competition for talent may change in ways that cannot be fully predicted at this time. If we are unable to attract, retain and motivate management and other employees with the necessary skills, we may not be able to grow or successfully operate our business and achieve our long-term objectives. In addition, we have invested significant time and resources in building, maintaining and evolving our company culture and our values, which we believe to be critical to our future success. Failure to maintain and continue to evolve our culture could negatively affect our ability to attract, retain and motivate talented management and employees and to achieve our long-term objectives.

**We may not fully realize the expected benefits of our restructuring plans or other operating or cost-saving initiatives, which may negatively impact our profitability.**

Since 2017, we have executed three separate restructuring plans designed to more closely align our financial resources against the critical priorities of our business and rebalance our cost base to further improve future profitability and cash flow generation. We have also implemented several changes to our operating model and continue to refine our operating model in response to business and market conditions. We may not achieve the operational improvements and efficiencies that we targeted in our restructuring plans and operating model changes, which could adversely impact our results of operations and financial condition. Implementing any restructuring plan or operating model change presents significant potential risks including, among others, higher than anticipated implementation costs, management distraction from ongoing business activities, failure to maintain adequate controls and procedures while executing our restructuring plans and operating model changes, damage to our reputation and brand image and workforce attrition beyond planned reductions. If we fail to achieve targeted operating improvements and/or cost reductions, our profitability and results of operations could be negatively impacted, which may be dilutive to our earnings in the short term.

## **Financial Risks**

**Our credit agreement contains financial covenants, and both our credit agreement and debt securities contain other restrictions on our actions, which could limit our operational flexibility or otherwise adversely affect our financial condition.**

We have, from time to time, financed our liquidity needs in part from borrowings made under our credit facility and the issuance of debt securities. Our Senior Notes limit our ability to, subject to certain significant exceptions, incur secured debt and engage in sale leaseback transactions. Our amended credit agreement contains negative covenants that, subject to significant exceptions limit our ability, among other things to incur additional indebtedness, make restricted payments, sell or dispose of assets, pledge assets as security, make investments, loans, advances, guarantees and acquisitions, undergo fundamental changes and enter into transactions with affiliates. In addition, we must maintain a certain leverage ratio and interest coverage ratio as defined in the amended credit agreement. Our ability to continue to borrow amounts under our amended credit agreement is limited by continued compliance with these financial covenants, and in the past we have amended our credit agreement to provide certain relief from and revisions to our financial covenants for specified periods to provide us with sufficient access to liquidity during those periods. Failure to comply with these operating or financial covenants could result from, among other things, changes in our results of operations or general economic conditions. These covenants may restrict our ability to engage in transactions that would otherwise be in our best interests. Failure to comply with any of the covenants under the amended credit agreement or our Senior Notes could result in a default, which could negatively impact our access to liquidity.

In addition, the amended credit agreement includes a cross default provision whereby an event of default under certain other debt obligations (including our debt securities) will be considered an event of default under the amended credit agreement. If an event of default occurs, the commitments of the lenders under the amended credit agreement may be terminated and the maturity of amounts owed may be accelerated. Our debt securities include a cross acceleration provision which provides that the acceleration of certain other debt obligations (including our credit agreement) will be considered an event of default under our debt securities and, subject to certain time and notice periods, give bondholders the right to accelerate our debt securities.

**We may need to raise additional capital to manage and grow our business, and we may not be able to raise capital on terms acceptable to us or at all.**

Managing and growing our business will require significant cash outlays and capital expenditures and commitments. We have utilized cash on hand and cash generated from operations, accessed our credit facility and issued debt securities as sources of liquidity. For example, during the first and second quarters of Fiscal 2020, our cash generated from operations was negatively impacted due to widespread temporary store closures as a result of the COVID-19 pandemic. As of March 31, 2023, our cash and cash equivalents totaled \$712 million. However, if in future periods our cash on hand, cash generated from operations and availability under our credit agreement are not sufficient to meet our cash requirements, we will need to seek additional capital, potentially through debt or equity financing, to fund our operations and future growth, and we may be unable to obtain debt or equity financing on favorable terms or at all. Our ability to access the credit and capital markets in the future as a source of liquidity, and the borrowing costs associated with such financing, are dependent upon market conditions and our credit rating and outlook. Our credit ratings have been downgraded in the past, and we cannot assure that we will be able to maintain our current ratings, which could increase our cost of borrowing in the future. In addition, equity financing may be on terms that are dilutive or potentially dilutive to our stockholders, and the prices at which new investors would be willing to purchase our securities may be lower than the current price per share of our common stock. The holders of new securities may also have rights, preferences or privileges which are senior to those of existing holders of common stock. If new sources of financing are required, but are insufficient or unavailable, we will be required to modify our growth and operating plans based on available funding, if any, which would harm our ability to grow our business.

**Our operating results are subject to seasonal and quarterly variations in our net revenues and income from operations, which could adversely affect the price of our publicly traded common stock.**

We have experienced, and expect to continue to experience, seasonal and quarterly variations in our net revenues and income or loss from operations. The majority of our net revenues are historically generated during the last two quarters of the calendar year. Our quarterly results of operations may also fluctuate significantly as a result of a variety of other factors, including the timing of our customer orders, our ability to timely delivery, the timing of marketing expenses and changes in our product mix. As a result of these seasonal and quarterly fluctuations, we

believe that comparisons of our operating results between different quarters within a single year are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of our future performance. Any seasonal or quarterly fluctuations that we report in the future may not match the expectations of market analysts and investors. This could cause the price of our publicly traded stock to fluctuate significantly.

**Our results of operations are affected by the performance of our equity investments, over which we do not exercise control.**

We maintain certain minority investments, and may in the future invest in additional minority investments, which we account for under the equity method, and are required to recognize our allocable share of its net income or loss in our Consolidated Financial Statements. Our results of operations are affected by the performance of these businesses, over which we do not exercise control, and our net income or loss may be negatively impacted by losses realized by these investments. For example, we have previously recognized losses related to our Japanese licensee's business. We are also required to regularly review our investments for impairment, and an impairment charge may result from the occurrence of adverse events or management decisions that impact the fair value or estimated future cash flows to be generated from our investments. In addition, to the extent our Japanese licensee continues to experience challenges in the performance of its business, we may not continue to realize the license revenues from our Japanese licensee in line with its past results, which could negatively impact our net revenues and results of operations. Furthermore, based on its financial performance, our ability to recover our investment in the long term may be limited.

**Our financial results could be adversely impacted by currency exchange rate fluctuations.**

During Fiscal 2023, we generated approximately 34% of our consolidated net revenues outside the United States. As our international business grows, our results of operations could be adversely impacted by changes in foreign currency exchange rates. Revenues and certain expenses in markets outside of the United States are recognized in local foreign currencies, and we are exposed to potential gains or losses from the translation of those amounts into U.S. dollars for consolidation into our financial statements. These amounts can be material. Similarly, we are exposed to gains and losses resulting from currency exchange rate fluctuations on transactions generated by our foreign subsidiaries in currencies other than their local currencies. In addition, the business of our independent manufacturers may also be disrupted by currency exchange rate fluctuations by making their purchases of raw materials more expensive and more difficult to finance. From time to time, our results of operations have been, and may continue to be, adversely impacted by foreign currency exchange rate fluctuations. In addition, we have previously designated cash flow hedges against certain forecasted transactions. If we determine that such a transaction is no longer probable to occur in the time period we expected, we are required to de-designate the hedging relationship and immediately recognize the derivative instrument gain or loss in our earnings. From time to time, global macroeconomic factors, such as the ongoing impacts of COVID-19, have caused and may continue to cause uncertainty in forecasted cash flows, which has resulted and may in the future result in the de-designation of certain hedged transactions.

***Legal, Regulatory and Compliance Risks***

**Our business is subject to a wide array of laws and regulations, and our failure to comply with these requirements could lead to investigations or actions by government regulators, increased expense or reputational damage.**

Our business is subject to a wide array of laws and regulations, including those addressing consumer protection, safety, labeling, distribution, importation, sustainability and environmental matters, labor and human rights matters, the marketing and sale of our products, data privacy and other matters. These requirements are enforced by various federal agencies, including the Federal Trade Commission, Consumer Product Safety Commission and state attorneys general in the United States, as well as by various other federal, state, provincial, local and international regulatory authorities in the locations in which our products are distributed or sold. If we fail to comply with these regulations, we could become subject to significant penalties or claims or be required to stop selling or otherwise recall products, which could negatively impact our results of operations and disrupt our ability to conduct our business, as well as damage our brand image with consumers. In addition, the adoption of new legislation, regulations or industry standards, including related to data privacy, sustainability and climate change, or changes in the interpretation of existing regulations may result in significant unanticipated compliance costs or

discontinuation of product sales and may impair the marketing of our products, resulting in significant loss of net revenues.

Our international operations are also subject to compliance with the U.S. Foreign Corrupt Practices Act, or FCPA, and U.S. sanctions laws, as well as other anti-bribery and sanctions laws of foreign jurisdictions where we conduct business. Although we have policies and procedures to address compliance with the FCPA and similar laws and sanctions requirements, there can be no assurance that all of our employees, contractors, agents and other partners will not take actions in violations of our policies or that our procedures will effectively mitigate against such risks. Any such violation could subject us to sanctions or other penalties that could negatively affect our reputation, business and operating results.

We must also comply with increasingly complex and evolving regulatory standards throughout the world enacted to protect personal information and other data, including the General Data Protection Regulation, the ePrivacy Directive, the California Consumer Privacy Act of 2018, the California Privacy Rights Act, state privacy laws in Virginia, Utah, Connecticut and Colorado and the Personal Information Protection Law in China. These laws and related regulations impact our ability to engage with our consumers, and some of these privacy laws prohibit the transfer of personal information to certain other jurisdictions. Compliance with existing laws and regulations can be costly and could negatively impact our profitability. Moreover, data privacy laws and regulations continue to evolve and it may be costly for us to adjust our operations to comply with new requirements. Regulatory bodies throughout the world have increased enforcement efforts against companies who fail to comply with privacy requirements. Failure to comply with these regulatory standards could result in a violation of data privacy laws and regulations and subject us to legal proceedings against us by governmental entities or others, imposition of fines by governmental authorities, negative publicity and damage to our brand image, all of which could have a negative impact on our profitability.

**Data security or privacy breaches could damage our reputation, cause us to incur additional expense, expose us to litigation and adversely affect our business and results of operations.**

We collect proprietary business information and personally identifiable information in connection with digital marketing, digital commerce, our in-store payment processing systems and our digital business (including our MapMyFitness platform). We collect and store a variety of information regarding our consumers, and on some of our platforms allow users to share their personal information with each other and with third parties. We also rely on third parties for the operation of certain of our e-commerce websites, and do not control these service providers. Like other companies in our industry, we have in the past experienced, and we expect to continue to experience, cyberattacks, including phishing, cyber fraud incidents and other attempts to gain unauthorized access to our systems. These attempted attacks have increased throughout the COVID-19 pandemic and with our implementation of a hybrid work model for many of our global corporate employees. There can be no assurance that these attacks will not have a material impact in the future. Any breach of our data security or that of our service providers could result in an unauthorized release or transfer of customer, consumer, vendor or employee information, or the loss of money, valuable business data or cause a disruption in our business. These events could give rise to unwanted media attention, damage our reputation, damage our customer, consumer or user relationships and result in lost sales, fines or lawsuits. We may also be required to expend significant capital and other resources to protect against or respond to or alleviate problems caused by a security breach, which could negatively impact our results of operations.

**Changes in tax laws and unanticipated tax liabilities could adversely affect our effective income tax rate and profitability.**

We are subject to income taxes in the United States and numerous foreign jurisdictions. Our effective income tax rate could be adversely affected in the future by a number of factors, including changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, changes in tax laws and regulations or their interpretations and application, the outcome of income tax audits in various jurisdictions around the world, and any repatriation of non-U.S. earnings for which we have not previously provided applicable foreign withholding taxes, certain U.S. state income taxes, or foreign exchange rate impacts.

Moreover, we also engage in multiple types of intercompany transactions, and our allocation of profits and losses among us and our subsidiaries through our intercompany transfer pricing arrangements are subject to review by the Internal Revenue Service and foreign tax authorities. Although we believe we have clearly reflected the economics of these transactions in accordance with current rules and regulations, which are generally consistent with the arms-length standard, and the proper documentation is in place, tax authorities may propose and sustain adjustments that could result in changes that may materially impact our tax provision.

Additionally, many countries have implemented legislation and other guidance to align their international tax rules with the Organization for Economic Co-operation and Development's ("OECD") Base Erosion and Profit Shifting ("BEPS") recommendations and action plan, which aim to standardize and modernize global corporate tax policy and include changes to cross-border tax, transfer pricing documentation rules and nexus-based tax incentive practices. As a result of this heightened scrutiny, we may experience an increase in income tax audits. In addition, prior decisions by tax authorities regarding treatments and positions of corporate income taxes could be subject to enforcement activities and/or legislative investigation, which could also result in changes in tax policies or prior tax rulings. Any such activities may result in the taxes we previously paid being subject to change, which could have a material adverse impact on our tax provision.

The OECD has issued rules intended to provide governments new taxing rights over the digital economy and specific digital services ("Pillar One"), as well as the implementation of a global minimum tax ("Pillar Two"). Many countries in which we have operations are required to, or voluntarily plan to, implement Pillar Two taxes. For example, we have operations in the European Union, where member states are required to enact Pillar Two taxes by December 31, 2023, and in South Korea, which has enacted Pillar Two taxes effective for fiscal years beginning on or after January 1, 2024. The enactment of Pillar One and Pillar Two taxes in jurisdictions where we have operations could have a material adverse impact on our global transfer pricing arrangements, tax provision, cash tax liability, effective tax rate and profitability.

**Failure to protect our intellectual property rights, or our conflict with the rights of others, could damage our brand, weaken our competitive position and negatively impact our results of operations.**

Our success depends in large part on our brand image. We currently rely on a combination of copyright, trademark, trade dress, patent, anti-counterfeiting and unfair competition laws, confidentiality procedures and licensing arrangements to establish and protect our intellectual property rights. Despite our strategic enforcement efforts, we may not be able to prevent adequately infringement of our trademarks and proprietary rights by others, including imitation of our products and misappropriation of our brand, and intellectual property protection may be unavailable or limited in some jurisdictions. In addition, intellectual property rights in the technology, fabrics and processes used to manufacture the majority of our products are generally owned or controlled by our suppliers and are generally not unique to us, and our current and future competitors are able to manufacture and sell products with performance characteristics and fabrications similar to certain of our products.

From time to time, we have brought claims relating to the enforcement of our intellectual property rights against others or have discovered unauthorized products in the marketplace that are either counterfeit reproductions of our products or unauthorized irregulars that do not meet our quality control standards. If we fail to protect, maintain and enforce our intellectual property rights, the value of our brand could decrease and our competitive position may suffer. In addition, from time to time others may seek to enforce infringement claims against us. Successful infringement claims against us could result in significant monetary liability or prevent us from selling or providing some of our products. The resolution of such claims may require us to pull product from the market, redesign our products, license rights belonging to third parties or cease using those rights altogether. Any of these events could harm our business and have a material adverse effect on our results of operations and financial condition.

**We are the subject of a number of ongoing legal proceedings that have resulted in significant expense, and adverse developments in our ongoing proceedings and/or future legal proceedings could have a material adverse effect on our business, reputation, financial condition, results of operations or stock price.**

We are actively involved in a variety of litigation and other legal matters and may be subject to additional litigations, investigations, arbitration proceedings, audits, regulatory inquiries and similar actions, including matters related to commercial disputes, intellectual property, employment, securities laws, disclosures, environmental, tax, accounting, insurance coverage, class action and product liability, as well as trade, regulatory and other claims related to our business and our industry, which we refer to collectively as legal proceedings. For example, we are subject to an ongoing securities class action proceeding regarding our prior disclosures (including regarding the use of "pull forward" sales) and derivative complaints regarding related matters, as well as past related party transactions, among other legal proceedings. Refer to Note 9 to our Consolidated Financial Statements of this Annual Report on Form 10-K for additional information regarding these specific matters.

Legal proceedings in general, and securities and class action litigation and regulatory investigations in particular, can be expensive and disruptive. We cannot predict the outcome of any particular legal proceeding, or whether ongoing legal proceedings will be resolved favorably or ultimately result in charges or material damages, fines or other penalties. Our insurance may not cover all claims that may be asserted against us, and we are unable

to predict how long the legal proceedings to which we are currently subject will continue. An unfavorable outcome of any legal proceeding may have a material adverse impact on our business, financial condition and results of operations or our stock price. Any legal proceeding could negatively impact our reputation among our customers or our shareholders. Furthermore, publicity surrounding ongoing legal proceedings, even if resolved favorably for us, could result in additional legal proceedings against us, as well as damage our brand image.

### **Risks Related to our Common Stock**

#### **Kevin Plank, our Executive Chair and Brand Chief, controls the majority of the voting power of our common stock.**

Our Class A common stock has one vote per share, our Class B common stock has 10 votes per share and our Class C common stock has no voting rights (except in limited circumstances). Our Executive Chair and Brand Chief, Kevin Plank, beneficially owns all outstanding shares of Class B common stock. As a result, Mr. Plank has the majority voting control and is able to direct the election of all of the members of our Board of Directors and other matters we submit to a vote of our stockholders. Under certain circumstances, the Class B common stock automatically converts to Class A common stock, which would also result in the conversion of our Class C common stock into Class A common stock. As specified in our charter, these circumstances include when Mr. Plank beneficially owns less than 15.0% of the total number of shares of Class A and Class B common stock outstanding, if Mr. Plank were to resign as an Approved Executive Officer of the Company (or was otherwise terminated for cause) or if Mr. Plank sells more than a specified number of any class of our common stock within a one-year period. This concentration of voting control may have various effects including, but not limited to, delaying or preventing a change of control or allowing us to take action that the majority of our stockholders do not otherwise support. In addition, we utilize shares of our Class C common stock to fund employee equity incentive programs and may do so in connection with future stock-based acquisition transactions, which could prolong the duration of Mr. Plank's voting control.

#### **The trading prices for our Class A and Class C common stock may differ and fluctuate from time to time.**

The trading prices of our Class A and Class C common stock may differ and fluctuate from time to time in response to various factors, some of which are beyond our control. These factors may include, among others, overall performance of the equity markets and the economy as a whole, variations in our quarterly results of operations or those of our competitors, our ability to meet our published guidance and securities analyst expectations, or recommendations by securities analysts. In addition, our non-voting Class C common stock has traded at a discount to our Class A common stock, and there can be no assurance that this will not continue.

### **ITEM 1B. UNRESOLVED STAFF COMMENTS**

Not applicable.

### **ITEM 2. PROPERTIES**

The following includes a summary of the principal properties that we own or lease as of March 31, 2023.

Our principal executive and administrative offices are located at an office complex in Baltimore, Maryland, the majority of which we own and a portion of which we lease. We also own office space and undeveloped acreage in the Baltimore Peninsula, an area of Baltimore, Maryland previously referred to as Port Covington, which we are in the process of renovating and further developing. We expect to move our principal executive and administrative offices to this location by late 2024. For each of our EMEA, Latin America and Asia-Pacific headquarters, we lease office space.

We lease our primary distribution facilities, which are located in Sparrows Point, Maryland, Mount Juliet, Tennessee and Rialto, California. Combined, these facilities represent approximately 3.5 million square feet of facility space. These leases expire at various dates, with the earliest lease termination date occurring in December 2027. We believe our distribution facilities and space available through our third-party logistics providers will be adequate to meet our short term needs.

In addition, as of March 31, 2023, we leased 439 Brand and Factory House stores located primarily in the United States, China, Canada, Mexico, Korea, Chile, Australia, the United Kingdom, and Malaysia with lease

termination dates occurring in 2023 through 2035. We also lease additional office space for sales, quality assurance and sourcing, marketing and administrative functions. We anticipate that we will be able to extend these leases that expire in the near future on satisfactory terms or relocate to other locations.

**ITEM 3. LEGAL PROCEEDINGS**

From time to time, we have been involved in litigation and other proceedings, including matters related to commercial disputes and intellectual property, as well as trade, regulatory and other claims related to our business. See Note 9 to our Consolidated Financial Statements for information on certain legal proceedings, which is incorporated by reference herein.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**PART II.**

**ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

Under Armour's Class A Common Stock and Class C Common Stock are traded on the New York Stock Exchange ("NYSE") under the symbols "UAA" and "UA", respectively. As of May 15, 2023, there were 2,306 record holders of our Class A Common Stock, 5 record holders of Class B Convertible Common Stock which are beneficially owned by our Executive Chair and Brand Chief, Kevin A. Plank, and 1,578 record holders of our Class C Common Stock.

Our Class A Common Stock was listed on the NYSE under the symbol "UA" until December 6, 2016 and under the symbol "UAA" since December 7, 2016. Prior to November 18, 2005, there was no public market for our Class A Common Stock. Our Class C Common Stock was listed on the NYSE under the symbol "UA.C" since its initial issuance on April 8, 2016 until December 6, 2016 and under the symbol "UA" since December 7, 2016.

**Unregistered Sales of Equity Securities and Use of Proceeds**

The following table sets forth the Company's repurchases of Class C Common Stock during the quarter ended March 31, 2023 under the two-year \$500 million share repurchase program authorized by our Board of Directors in February 2022.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Program	Approximately Dollar Value of Shares that May Yet be Purchased Under the Program (in millions)
01/01/2023 to 01/31/2023	1,049,821	\$ 9.14	1,049,821	\$ 75.0
02/01/2023 to 02/28/2023	—	\$ —	—	\$ 75.0
03/01/2023 to 03/31/2023	—	\$ —	—	\$ 75.0

**Dividends**

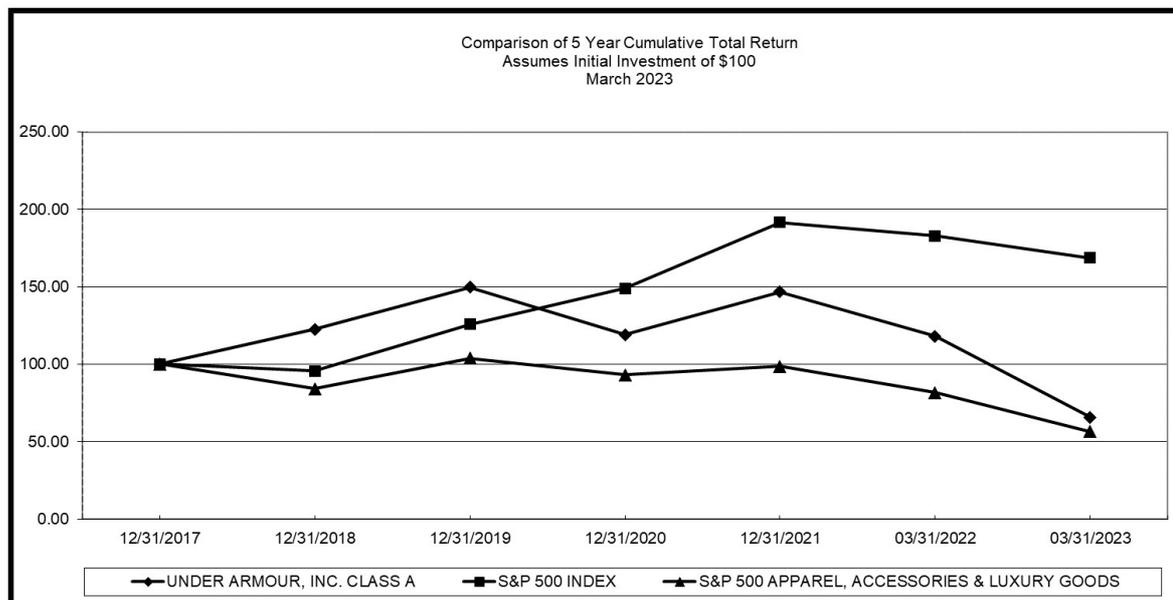
No cash dividends were declared or paid during Fiscal 2023, Fiscal 2021, Fiscal 2020 or the Transition Period on any class of our common stock. We currently anticipate we will retain future earnings for use in our business. As a result, we do not anticipate paying any cash dividends in the foreseeable future. However, if we were to consider declaring a cash dividend to our stockholders, we may be limited in our ability to do so under our credit facility. Refer to "Financial Position, Capital Resources and Liquidity" within Management's Discussion and Analysis and Note 8 to the Consolidated Financial Statements for a further discussion of our credit facility.

**Stock Compensation Plans**

See Item 12 "Security Ownership of Certain beneficial Owners and Management and Related Stockholder Matters" for information regarding our equity compensation plans.

**Stock Performance Graph**

The stock performance graph below compares cumulative total return on Under Armour, Inc. Class A Common Stock to the cumulative total return of the S&P 500 Index and S&P 500 Apparel, Accessories and Luxury Goods Index from December 31, 2017 through March 31, 2023. The graph assumes an initial investment of \$100 in Under Armour and each index as of December 31, 2017 and reinvestment of any dividends. The performance shown on the graph below is not intended to forecast or be indicative of possible future performance of our common stock.



	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	3/31/2022	3/31/2023
Under Armour, Inc.	\$ 100.00	\$ 122.45	\$ 149.69	\$ 118.99	\$ 146.85	\$ 117.94	\$ 65.7
S&P 500	\$ 100.00	\$ 95.62	\$ 125.72	\$ 148.85	\$ 191.58	\$ 182.77	\$ 168.6
S&P 500 Apparel, Accessories & Luxury Goods	\$ 100.00	\$ 84.24	\$ 103.82	\$ 93.06	\$ 98.71	\$ 81.67	\$ 56.5

**ITEM 6. [RESERVED]**

Not applicable.

**ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help readers understand our results of operations and financial condition, and is provided as a supplement to, and should be read in conjunction with, our Consolidated Financial Statements and the accompanying Notes to our Consolidated Financial Statements under Part II, Item 8 and the information contained elsewhere in this Annual Report on Form 10-K under the captions "Business" and "Risk Factors".

This Annual Report on Form 10-K, including this MD&A, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the Exchange Act), and Section 27A of the U.S. Securities Act of 1933, as amended ("the Securities Act"), and is subject to the safe harbors created by those sections. All statements other than statements of historical facts are statements that could be deemed forward-looking statements. See "Forward Looking Statements."

All dollar and percentage comparisons made herein refer to Fiscal 2023 compared with the twelve months ended March 31, 2022, unless otherwise noted. Please refer to Part II, Item 7 of our Annual Report on Form 10-K, filed with the Securities Exchange Commission ("SEC") on February 23, 2022, for a comparative discussion of our Fiscal 2021 financial results as compared to Fiscal 2020, which is incorporated by reference herein.

### Fiscal Year End Change

As previously disclosed, we changed our fiscal year end from December 31 to March 31, effective for the fiscal year beginning April 1, 2022. Our current fiscal year began on April 1, 2022 and ended on March 31, 2023 ("Fiscal 2023"). We refer to the period beginning on January 1, 2022 and ending on March 31, 2022 as the "Transition Period". We filed a Transition Report on Form 10-QT that included financial information for the Transition Period with the SEC on May 9, 2022. Our 2021 fiscal year began on January 1, 2021 and ended on December 31, 2021 ("Fiscal 2021"). There was no Fiscal 2022.

We have presented the twelve months ended March 31, 2022 as a comparison to our results for Fiscal 2023 as we believe this comparison is more meaningful to a reader's understanding of our Fiscal 2023 results of operations than a comparison to Fiscal 2021. A comparison of the three-months ended March 31, 2022 to the three-months ended March 31, 2021 may be found in Part I, Item 2, of our Transition Report on Form 10-QT for the three-months ended March 31, 2022 filed with the SEC on May 9, 2022.

The following tables have been included to help readers better understand how the statement of operations and statement of cash flows for the twelve months ended March 31, 2022 were derived.

<i>(In thousands)</i>	Deduct:				Add:	
	Year ended December 31, 2021	Three Months ended March 31, 2021	Three Months Ended March 31, 2022	Twelve months ended March 31, 2021	Twelve months ended March 31, 2022	
Net revenues	\$ 5,683,466	\$ 1,257,195	\$ 1,300,945	\$ 5,727,195	\$ 5,727,195	
Cost of goods sold	2,821,967	628,554	695,781	2,886,302	2,886,302	
Gross profit	2,861,499	628,641	605,164	2,840,893	2,840,893	
Selling, general and administrative expenses	2,334,691	514,638	594,446	2,443,775	2,443,775	
Restructuring and impairment charges	40,518	7,113	56,674	90,105	90,105	
Income (loss) from operations	486,290	106,890	(45,956)	339,223	339,223	
Interest income (expense), net	(44,300)	(14,137)	(6,154)	(36,587)	(36,587)	
Other income (expense), net	(51,113)	(7,180)	(51)	(43,944)	(43,944)	
Income (loss) before income taxes	390,877	85,573	(52,161)	253,282	253,282	
Income tax expense (benefit)	32,072	9,881	8,181	30,134	30,134	
Income (loss) from equity method investments	1,255	2,060	732	4,047	4,047	
Net income (loss)	\$ 360,060	\$ 77,752	\$ (59,610)	\$ 222,386	\$ 222,386	

<i>(In thousands)</i>	Deduct:				Add:	
	Year ended December 31, 2021	Three Months ended March 31, 2021	Three Months Ended March 31, 2022	Twelve months ended March 31, 2021	Twelve months ended March 31, 2022	
Net cash provided by (used in):						
Operating activities	\$ 664,829	\$ (150,588)	\$ (321,443)	\$ 492,808	\$ 492,808	
Investing activities	(68,346)	(7,904)	(39,923)	(100,173)	(100,173)	
Financing activities	(418,737)	(3,443)	(310,512)	(725,692)	(725,692)	
Effect of exchange rate changes on cash and cash equivalents	(23,391)	(6,900)	11,134	(19,157)	(19,157)	
Net increase (decrease) in cash and cash equivalents	\$ 154,355	\$ (168,835)	\$ (660,744)	\$ (337,076)	\$ (337,076)	

### OVERVIEW

We are a leading developer, marketer, and distributor of branded performance apparel, footwear, and accessories. Our brand's moisture-wicking fabrications are engineered in various designs and styles for wear in nearly every climate to provide a performance alternative to traditional products. Our products are sold worldwide

and worn by athletes at all levels, from youth to professional, on playing fields around the globe, and by consumers with active lifestyles.

Strategically and operationally, we remain focused on driving premium brand-right growth and improved profitability. We plan to continue to grow our business over the long-term through increased sales of our apparel, footwear and accessories; growth in our direct-to-consumer sales channel; and expansion of our wholesale distribution. We believe that achievement of our long-term growth objectives depends, in part, on our ability to execute strategic initiatives in key areas including our wholesale, footwear, women's and direct-to-consumer businesses. Additionally, our digital strategy is focused on supporting these long-term objectives, emphasizing connection and engagement with our consumers through multiple digital touchpoints.

During Fiscal 2023, we faced a challenging retail environment that included higher promotions and discounting related to industry-wide elevated inventory balances, ongoing COVID-19 related impacts in China and further negative impacts from changes in foreign currency rates.

### **Fiscal 2023 Performance**

Financial highlights for Fiscal 2023 as compared to the twelve months ended March 31, 2022 include:

- Total net revenues increased 3.1%.
- Within our channels, wholesale revenue increased 5.9% and direct-to-consumer revenue decreased 2.5%.
- Within our product categories, apparel revenue decreased 0.9%, footwear revenue increased 16.3%, and accessories revenue decreased 7.4%.
- Net revenue in Europe, the Middle East and Africa ("EMEA"), Latin America and Asia-Pacific increased 13.2%, 10.7% and 2.7%, respectively, while revenue decreased 0.6% in North America.
- Gross margin decreased 470 basis points to 44.9%.
- Selling, general and administrative expenses decreased 2.0%.

### **COVID-19 Update**

The COVID-19 pandemic has caused, and may continue to cause, disruption and volatility in our business and in the businesses of our wholesale customers, licensing partners, suppliers, logistics providers and vendors.

During Fiscal 2023, we continued to experience COVID-19 related impacts, including global logistical challenges, such as increased freight costs and transportation delays, and labor disruptions in China, which caused temporary closures of our Brand and Factory House stores, distribution centers and corporate facilities in China and negatively impacted consumer traffic and demand. As of March 31, 2023, we continue to see improvements across our supply chain, including progress towards a return to pre-pandemic production efficiency and improving freight costs, and all of our Brand and Factory House stores, distribution centers and corporate facilities in China were open. However, the ongoing impacts of the COVID-19 pandemic negatively impacted our financial results for Fiscal 2023, and we cannot predict how the COVID-19 pandemic may impact our business and results of operations in Fiscal 2024.

For a more complete discussion of the COVID-19 related risks facing our business, refer to our "Risk Factors" section included in Item 1A of this Annual Report on Form 10-K.

### **Effects of Inflation and Other Global Events**

Macroeconomic factors, such as inflationary pressures and fluctuations in foreign currency exchange rates have and may continue to impact our business. We continue to monitor these factors and the potential impacts they may have on our financial results, including product input costs, freight costs and consumer discretionary spending and therefore consumer demand for our products. We also continue to monitor the broader impacts of the Russia Ukraine conflict on the global economy, including its effect on inflationary pressures and the price of oil globally.

See "Risk Factors—Economic and Industry Risks—*Our business depends on consumer purchases of discretionary items, which can be negatively impacted during an economic downturn or periods of inflation. This could materially impact our sales, profitability and financial condition*"; "*Fluctuations in the cost of raw materials and commodities we use in our products and costs related to our supply chain could negatively affect our operating results*"; "*Our financial results and ability to grow our business may be negatively impacted by global events beyond our control*"; and "*Financial Risks—Our financial results could be adversely impacted by currency exchange rate fluctuations*" included in Item 1A of this Annual Report on Form 10-K.

## RESULTS OF OPERATIONS

The following tables set forth key components of our results of operations for the periods indicated, both in dollars and as a percentage of net revenues:

<i>(In thousands)</i>	Year ended March 31, 2023	Twelve months ended March 31, 2022
Net revenues	\$ 5,903,636	\$ 5,740,000
Cost of goods sold	3,254,296	2,880,000
Gross profit	2,649,340	2,860,000
Selling, general and administrative expenses	2,365,529	2,400,000
Restructuring and impairment charges	—	\$ 100,000
Income (loss) from operations	283,811	330,000
Interest income (expense), net	(12,826)	(30,000)
Other income (expense), net	16,780	(40,000)
Income (loss) before income taxes	287,765	250,000
Income tax expense (benefit)	(101,046)	30,000
Income (loss) from equity method investments	(2,042)	—
Net income (loss)	\$ 386,769	\$ 280,000

<i>(As a percentage of net revenues)</i>	Year ended March 31, 2023	Twelve months ended March 31, 2022
Net revenues	100.0 %	100.0 %
Cost of goods sold	55.1 %	50.4 %
Gross profit	44.9 %	49.6 %
Selling, general and administrative expenses	40.1 %	42.2 %
Restructuring and impairment charges	— %	1.6 %
Income (loss) from operations	4.8 %	5.8 %
Interest income (expense), net	(0.2)%	(0.6)%
Other income (expense), net	0.3 %	(0.8)%
Income (loss) before income taxes	4.9 %	4.4 %
Income tax expense (benefit)	(1.7)%	0.5 %
Loss from equity method investment	— %	— %
Net income (loss)	6.6 %	3.9 %

## Revenues

Net revenues consist of net sales, license revenues, and revenues from digital subscriptions, other digital business opportunities and advertising. Net sales consist of sales from apparel, footwear and accessories products. Our license revenues primarily consist of fees paid to us by licensees in exchange for the use of our trademarks on their products. The following tables summarize net revenues by product category and distribution channel for the periods indicated:

<i>(In thousands)</i>	Year ended March 31, 2023	Twelve months ended March 31, 2022	Change \$	Change % <sup>(1)</sup>
<b>Net Revenues by Product Category</b>				
Apparel <sup>(2)</sup>	\$ 3,871,638	\$ 3,907,812	\$ (36,174)	(0.9)%
Footwear	1,455,265	1,251,776	203,489	16.3 %
Accessories	408,521	441,301	(32,780)	(7.4)%
Net Sales	5,735,424	5,600,889	134,535	2.4 %
License revenues	116,746	117,568	(822)	(0.7)%
Corporate Other <sup>(3)</sup>	51,466	8,759	42,707	N/M
Total net revenues	<u>\$ 5,903,636</u>	<u>\$ 5,727,216</u>	<u>\$ 176,420</u>	<u>3.1 %</u>
<b>Net Revenues by Distribution Channel</b>				
Wholesale	\$ 3,468,126	\$ 3,275,341	\$ 192,785	5.9 %
Direct-to-consumer <sup>(2)</sup>	2,267,298	2,325,548	(58,250)	(2.5)%
Net Sales	5,735,424	5,600,889	134,535	2.4 %
License revenues	116,746	117,568	(822)	(0.7)%
Corporate Other <sup>(3)</sup>	51,466	8,759	42,707	N/M
Total net revenues	<u>\$ 5,903,636</u>	<u>\$ 5,727,216</u>	<u>\$ 176,420</u>	<u>3.1 %</u>

<sup>(1)</sup> "N/M" = not meaningful

<sup>(2)</sup> During the Fiscal 2023, we recognized approximately \$10.1 million of revenue relating to gift cards not expected to be redeemed ("breakage"), which was previously included in contract liabilities. Refer to Note 11 of the Consolidated Financial Statements for additional details.

<sup>(3)</sup> Corporate Other primarily includes foreign currency hedge gains and losses related to revenues generated by entities within our operating segments but managed through our central foreign exchange risk management program, as well as subscription revenues from MMR and revenue from other digital business opportunities.

### Net sales

Net sales increased by \$134.5 million, or 2.4%, to \$5,735.4 million during Fiscal 2023, from \$5,600.9 million during the twelve months ended March 31, 2022. Apparel decreased primarily due to lower average selling prices, resulting from higher discounts and promotions and the impact of foreign exchange rates, partially offset by higher unit sales and favorable channel mix. Additionally, apparel was positively impacted by the recognition of breakage relating to gift cards, as described in the table above. Footwear increased primarily due to higher unit sales which benefited from better product availability, partially offset by the impact of foreign exchange rates and unfavorable channel mix. Accessories decreased primarily due to lower average selling prices, the impact of foreign exchange rates and unfavorable channel mix. From a channel perspective, the increase in net sales was due to an increase in wholesale, partially offset by a decrease in direct-to-consumer.

### License revenues

License revenues decreased by \$0.8 million or 0.7%, to \$116.7 million during Fiscal 2023, from \$117.6 million during the twelve months ended March 31, 2022. This was primarily due to lower revenues from our Japanese licensee, partially offset by higher revenues from our licensing partners in the North America region.

### Gross Profit

Cost of goods sold consists primarily of product costs, inbound freight and duty costs, outbound freight costs, handling costs to make products floor-ready to customer specifications, royalty payments to endorsers based on a predetermined percentage of sales of selected products, and write downs for inventory obsolescence. In general, as a percentage of net revenues, we expect cost of goods sold associated with our apparel and accessories to be lower than that of our footwear. A limited portion of cost of goods sold is associated with digital

subscription and advertising revenues, primarily website hosting costs, and no cost of goods sold is associated with our license revenues.

We include outbound freight costs associated with shipping goods to customers as cost of goods sold; however, we include the majority of outbound handling costs as a component of selling, general and administrative expenses. As a result, our gross profit may not be comparable to that of other companies that include outbound handling costs in their cost of goods sold. Outbound handling costs include costs associated with preparing goods to ship to customers and certain costs to operate our distribution facilities. These costs were \$79.5 million in Fiscal 2023 (twelve months ended March 31, 2022: \$76.9 million).

Gross profit decreased by \$188.7 million to \$2,649.3 million during Fiscal 2023, from \$2,838.0 million during the twelve months ended March 31, 2022. Gross profit as a percentage of net revenues, or gross margin, decreased to 44.9% from 49.6%. This decrease in gross margin of 470 basis points was primarily driven by negative impacts of approximately:

- 170 basis points from higher promotions and discounting within our direct-to-consumer channel and unfavorable pricing of sales to the off-price channel;
- 130 basis points of supply chain impact mainly due to higher product input costs and freight costs;
- 70 basis points from unfavorable channel impacts;
- 50 basis points from changes in foreign currency;
- 30 basis points from unfavorable product mix due to the strength of footwear sales; and
- 20 basis points from unfavorable regional mix.

We expect higher discounting and promotional activities and elevated product input costs to continue to negatively impact our gross margin in the near term.

### Selling, General and Administrative Expenses

Our selling, general and administrative expenses consist of costs related to marketing, selling, product innovation and supply chain, and corporate services. We consolidate our selling, general and administrative expenses into two primary categories: marketing and other. The other category is the sum of our selling, product innovation and supply chain, and corporate services categories. The marketing category consists primarily of sports and brand marketing, media, and retail presentation. Sports and brand marketing includes professional, club and collegiate sponsorship agreements, individual athlete and influencer agreements, and providing and selling products directly to teams and individual athletes. Media includes digital, broadcast, and print media outlets, including social and mobile media. Retail presentation includes sales displays and concept shops and depreciation expense specific to our in-store fixture programs. Our marketing costs are an important driver of our growth.

<i>(In thousands)</i>	Year ended March 31, 2023	Twelve months ended March 31, 2022	Change \$	Change %
Selling, General and Administrative Expenses	\$ 2,365,529	\$ 2,414,499	\$ (48,970)	(2.0)%

Selling, general and administrative expenses decreased by \$49.0 million, or 2.0%, during Fiscal 2023 as compared to the twelve months ended March 31, 2022. Within selling, general and administrative expense:

- Marketing costs decreased \$65.3 million or 9.6%, due to lower marketing activity during the period. As a percentage of net revenues, marketing costs decreased to 10.5% from 11.9%.
- Other costs increased \$16.4 million or 0.9%, primarily driven by higher salaries, other selling expenses, litigation accrual, travel expenses and facility-related expenses, partially offset by lower incentive compensation expenses and lower consulting expenses. As a percentage of net revenues, other costs decreased to 29.6% from 30.2%.

As a percentage of net revenues, selling, general and administrative expenses decreased to 40.1% during Fiscal 2023 as compared to 42.2% during the twelve months ended March 31, 2022.

**Restructuring and Impairment Charges**

<i>(In thousands)</i>	Year ended March 31, 2023	Twelve months ended March 31, 2022	Change \$	Change %
Restructuring and Impairment Charges	\$ —	\$ 90,079	\$ (90,079)	(100.0)%

Restructuring and impairment charges within our operating expenses were \$90.1 million during the twelve months ended March 31, 2022. No charges were recorded during Fiscal 2023. See Note 12 to our Consolidated Financial Statements.

**Interest Expense, net**

Interest expense, net is primarily comprised of interest incurred on our debt facilities, offset by interest income earned on our cash and cash equivalents.

<i>(In thousands)</i>	Year ended March 31, 2023	Twelve months ended March 31, 2022	Change \$	Change %
Interest expense, net	\$ 12,826	\$ 36,317	\$ (23,491)	(64.7)%

Interest expense, net decreased by \$23.5 million to \$12.8 million during Fiscal 2023. This was primarily due to an increase in interest income as a result of higher interest rates and a reduction in interest expense on our Convertible Senior Notes as a result of repurchasing approximately \$419.1 million in aggregate principal amount during the twelve months ended March 31, 2022. See Note 8 to our Consolidated Financial Statements.

**Other Income (Expense), net**

Other income (expense), net primarily consists of unrealized and realized gains and losses on our foreign currency derivative financial instruments, and unrealized and realized gains and losses on adjustments that arise from fluctuations in foreign currency exchange rates relating to transactions generated by our international subsidiaries. Other income (expense), net also includes rent expense relating to lease assets held solely for sublet purposes, primarily the lease related to our New York City, 5th Avenue location.

<i>(In thousands)</i>	Year ended March 31, 2023	Twelve months ended March 31, 2022	Change \$	Change %
Other income (expense), net	\$ 16,780	\$ (43,984)	\$ 60,764	138.2%

Other income (expense), net increased by \$60.8 million to income of \$16.8 million during Fiscal 2023. This was primarily due to a loss of \$58.5 million that was recognized during the twelve months ended March 31, 2022 upon the extinguishment of \$419.1 million in principal amount of our Convertible Senior Notes. Additionally, other income increased during Fiscal 2023, due to a \$10 million higher earnout recorded in connection with the sale of the MyFitnessPal platform. These increases were offset by losses on foreign currency hedges of \$5.9 million and losses from changes in foreign currency exchange rates of \$2.4 million.

**Income Tax Expense (Benefit)**

<i>(In thousands)</i>	Year ended March 31, 2023	Twelve months ended March 31, 2022	Change \$	Change %
Income tax expense (benefit)	\$ (101,046)	\$ 30,372	\$ (131,418)	(432.7)%

During Fiscal 2023, income tax expense decreased \$131.4 million resulting in an income tax benefit of \$101.0 million from an income tax expense of \$30.4 million during the twelve months ended March 31, 2022. The change was primarily due to the recognition of an income tax benefit from the release of the U.S. federal valuation allowance on beginning of year deferred tax assets.

On August 16, 2022, the Inflation Reduction Act (the "Act") was enacted and signed into law in the United States. The Act contains a number of revisions to the Internal Revenue Code, including a 15% corporate minimum tax and a 1% excise tax on corporate stock repurchases in tax years beginning after December 31, 2022. We do not expect these tax provisions to have a material impact to our consolidated financial statements.

## SEGMENT RESULTS OF OPERATIONS

Our operating segments are based on how our Chief Operating Decision Maker ("CODM") makes decisions about allocating resources and assessing performance. Our segments are defined by geographic regions, including North America, EMEA, Asia-Pacific, and Latin America.

We exclude certain corporate items from our segment profitability measures. We report these items within Corporate Other, which is designed to provide increased transparency and comparability of our operating segments' performance. Corporate Other consists primarily of (i) operating results related to our MMR platforms and other digital business opportunities; (ii) general and administrative expenses not allocated to an operating segment, including expenses associated with centrally managed departments which include global marketing, global IT, global supply chain and innovation, and other corporate support functions; (iii) restructuring and restructuring related charges; and (iv) certain foreign currency hedge gains and losses.

The net revenues and operating income (loss) associated with our segments are summarized in the following tables.

### Net Revenues

<i>(In thousands)</i>	Year ended March 31, 2023	Twelve months ended March 31, 2022	Change \$	Change % <sup>(1)</sup>
North America <sup>(2)</sup>	\$ 3,820,993	\$ 3,845,746	\$ (24,753)	(0.6)%
EMEA	992,624	876,684	115,940	13.2 %
Asia-Pacific	825,338	803,450	21,888	2.7 %
Latin America	213,215	192,577	20,638	10.7 %
Corporate Other <sup>(3)</sup>	51,466	8,759	42,707	N/M
Total net revenues	<u>\$ 5,903,636</u>	<u>\$ 5,727,216</u>	<u>\$ 176,420</u>	<u>3.1 %</u>

<sup>(1)</sup> "N/M" = not meaningful

<sup>(2)</sup> During Fiscal 2023, we recognized approximately \$10.1 million of revenue relating to gift cards not expected to be redeemed ("breakage"), which was previously included in contract liabilities. Refer to Note 11 of the Consolidated Financial Statements for additional details.

<sup>(3)</sup> Corporate Other primarily includes foreign currency hedge gains and losses related to revenues generated by entities within our operating segments but managed through our central foreign exchange risk management program, as well as subscription revenues from MMR and revenue from other digital business opportunities.

The increase in total net revenues for Fiscal 2023, compared to the twelve months ended March 31, 2022, was driven by the following:

- Net revenues in our North America region decreased by \$24.8 million, or 0.6%, to \$3,821.0 million from \$3,845.7 million. This was driven by a decrease in both our direct-to-consumer channel, which includes the recognition of breakage relating to gift cards as described in the table above, and our wholesale channel, partially offset by an increase in license revenues. Within our direct-to-consumer channel, net revenues were lower due to a decrease in owned and operated retail store sales, partially offset by an increase in e-commerce sales.
- Net revenues in our EMEA region increased by \$115.9 million, or 13.2%, to \$992.6 million from \$876.7 million. This was primarily driven by an increase in both our wholesale channel and direct-to-consumer channel. Within our direct-to-consumer channel, net revenues increased in both owned and operated retail store sales and e-commerce sales. Net revenues in our EMEA region were also negatively impacted by changes in foreign exchange rates.
- Net revenues in our Asia-Pacific region increased by \$21.9 million, or 2.7%, to \$825.3 million from \$803.5 million. This was driven by an increase in our wholesale channel, partially offset by a decrease in our direct-to-consumer channel and a decrease in license revenues from our Japanese licensee. Within our direct-to-consumer channel, net revenues were lower due to decreases in both e-commerce and owned and operated retail store sales, which were negatively impacted by COVID-19 related restrictions and limitations in China. Net revenues in our Asia-Pacific region were also negatively impacted by changes in foreign exchange rates.
- Net revenues in our Latin America region increased by \$20.6 million, or 10.7%, to \$213.2 million from \$192.6 million. This was primarily driven by an increase in our wholesale channel, as we have moved to a distributor operating model for certain countries within this region. Within our direct-to-consumer channel,

net revenues were slightly higher due to increases in both owned and operated retail store sales and e-commerce sales.

- Net revenues in our Corporate Other non-operating segment increased by \$42.7 million to \$51.5 million from \$8.8 million. This was primarily driven by foreign currency hedge gains related to revenues generated by entities within our operating segments, but managed through our central foreign exchange risk management program.

### Operating Income (loss)

<i>(In thousands)</i>	Year ended March 31, 2023	Twelve months ended March 31, 2022	Change \$	Change %
North America	\$ 734,881	\$ 915,615	\$ (180,734)	(19.7)%
EMEA	112,161	136,252	(24,091)	(17.7)%
Asia-Pacific	100,276	91,862	8,414	9.2 %
Latin America	23,487	27,274	(3,787)	(13.9)%
Corporate Other <sup>(1)</sup>	(686,994)	(837,559)	150,565	18.0 %
Total operating income (loss)	<u>\$ 283,811</u>	<u>\$ 333,444</u>	<u>\$ (49,633)</u>	<u>(14.9)%</u>

<sup>(1)</sup> Corporate Other primarily includes foreign currency hedge gains and losses related to revenues generated by entities within our operating segments but managed through our central foreign exchange risk management program, as well as subscription revenues from MMR and revenue from other digital business opportunities. Corporate Other also includes expenses related to our central supporting functions.

The decrease in total operating income for Fiscal 2023, compared to the twelve months ended March 31, 2022, was primarily driven by the following:

- Operating income in our North America region decreased by \$180.7 million to \$734.9 million from \$915.6 million. This was primarily due to a decline in gross profit and higher distribution and selling expenses, partially offset by lower marketing-related expenses. The decline in gross profit was driven by higher product input and freight costs, increased promotions and discounting and lower net revenues as discussed above.
- Operating income in our EMEA region decreased by \$24.1 million to \$112.2 million from \$136.3 million. This was primarily due to a decline in gross profit, higher distribution and selling expenses and higher bad debt expense, partially offset by lower marketing-related expenses. The decline in gross profit was driven by unfavorable channel mix, partially offset by higher net revenues as discussed above.
- Operating income in our Asia-Pacific region increased by \$8.4 million to \$100.3 million from \$91.9 million. This was primarily due to a decrease in marketing-related expenses, consulting expenses and facility-related expenses, partially offset by a decline in gross profit. The decline in gross profit was driven by increased promotions and discounting, partially offset by higher net revenues as discussed above.
- Operating income in our Latin America region decreased by \$3.8 million to \$23.5 million from \$27.3 million. This was primarily due to higher freight and distribution costs, partially offset by higher net revenues.
- Operating loss in our Corporate Other non-operating segment decreased by \$150.6 million to \$687.0 million from \$837.6 million. This was primarily due to gains from foreign currency hedges, lower incentive compensation expenses and no further restructuring charges, partially offset by an increase in salaries expenses and litigation expenses.

### LIQUIDITY AND CAPITAL RESOURCES

Our cash requirements have principally been for working capital and capital expenditures. We fund our working capital, primarily inventory, and capital investments from cash flows from operating activities, cash and cash equivalents on hand, and borrowings available under our credit and long term debt facilities. Our working capital requirements generally reflect the seasonality in our business as we historically recognize the majority of our net revenues in the last two quarters of the calendar year. Our capital investments have generally included expanding our in-store fixture and branded concept shop program, improvements and expansion of our distribution and corporate facilities, including construction of our new global headquarters, leasehold improvements to our Brand and Factory House stores, and investment and improvements in information technology systems. Our inventory strategy is focused on continuing to meet consumer demand while improving our inventory efficiency over the long

term by putting systems and processes in place to improve our inventory management. These systems and processes are designed to improve our forecasting and supply planning capabilities. In addition, we strive to enhance our inventory performance by focusing on adding discipline around product purchasing, reducing production lead time and improving planning and execution for selling excess inventory through our Factory House stores and other liquidation channels.

As of March 31, 2023, we had approximately \$711.9 million of cash and cash equivalents. We believe our cash and cash equivalents on hand, cash from operations, our ability to reduce our expenditures as needed, borrowings available to us under our amended credit agreement, our ability to access the capital markets, and other financing alternatives are adequate to meet our liquidity needs and capital expenditure requirements for at least the next twelve months. In addition, from time to time, based on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors and subject to compliance with applicable laws and regulations, we may seek to utilize cash on hand, borrowings or raise capital to retire, repurchase or redeem our debt securities, repay debt, repurchase shares of our common stock or otherwise enter into similar transactions to support our capital structure and business or utilize excess cash flow on a strategic basis. For example, as described below, in February 2022, our Board of Directors authorized the repurchase of up to \$500 million of our Class C Common Stock over the following two years and, subsequently, during the Transition Period and Fiscal 2023, we entered into agreements related to accelerated share repurchase transactions to repurchase \$425 million of our Class C Common Stock.

If there are unexpected material impacts to our business in future periods from COVID-19 or other global macroeconomic factors and we need to raise or conserve additional cash to fund our operations, we may consider additional alternatives similar to those we used in Fiscal 2020, including further reducing our expenditures, changing our investment strategies, reducing compensation costs, including through temporary reductions in pay and layoffs, limiting certain marketing and capital expenditures, and negotiating, extending or delaying payment terms with our customers and vendors. In addition, we may seek alternative sources of liquidity, including but not limited to, accessing the capital markets, sale leaseback transactions or other sales of assets, or other alternative financing measures. However, instability in, or tightening of the capital markets, could adversely affect our ability to access the capital markets on terms acceptable to us or at all. Although we believe we have adequate sources of liquidity over the long term, a prolonged or more severe economic recession, inflationary pressure, or a slow recovery could adversely affect our business and liquidity and could require us to take certain of the liquidity preserving actions described above.

As of March 31, 2023, \$396.5 million or approximately 56% of cash and cash equivalents was held by our foreign subsidiaries. Based on the capital and liquidity needs of our foreign operations, we intend to indefinitely reinvest these funds outside the United States. In addition, our United States operations do not require the repatriation of these funds to meet our currently projected liquidity needs. Should we require additional capital in the United States, we may borrow in the United States or elect to repatriate indefinitely reinvested foreign funds. If we were to repatriate indefinitely reinvested foreign funds, we would be required to accrue and pay certain taxes upon repatriation, including foreign withholding taxes and certain U.S. state taxes and recognized foreign exchange rate impacts. Determination of the unrecorded deferred tax liability that would be incurred if such amounts were repatriated is not practicable.

Refer to our "Risk Factors" section included in Item 1A of this Annual Report on Form 10-K.

### **Share Repurchase Program**

On February 23, 2022, our Board of Directors authorized us to repurchase up to \$500 million (exclusive of fees and commissions) of outstanding shares of our Class C Common Stock over the following two years. The Class C Common Stock may be repurchased from time to time at prevailing prices in the open market, through plans designed to comply with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, via private purchases through forward, derivative, accelerated share repurchase transactions or otherwise, subject to applicable regulatory restrictions on volume, pricing and timing. The timing and amount of any repurchases will depend on market conditions, our financial condition, results of operations, liquidity and other factors.

Pursuant to the previously disclosed accelerated share repurchase transactions that we entered into in February 2022, May 2022, August 2022 and November 2022 (the "ASR Agreements"), we repurchased 18.7 million and 16.2 million shares of Class C Common Stock, which were immediately retired, during Fiscal 2023 and the Transition Period, respectively. As a result, \$174.0 million was recorded to retained earnings to reflect the difference between the market price of the Class C Common Stock repurchased and its par value during Fiscal 2023 (Transition Period: \$240.0 million).

As of the date of this Annual Report on Form 10-K, we have repurchased a total of \$425 million or 34.9 million outstanding shares of our Class C Common Stock under the share repurchase program.

### Contractual Commitments

We lease warehouse space, office facilities, space for our Brand and Factory House stores and certain equipment under non-cancelable operating leases. The leases expire at various dates through 2035, excluding extensions at our option, and include provisions for rental adjustments. In addition, this table includes executed lease agreements for Brand and Factory House stores that we did not yet occupy as of March 31, 2023. The operating leases generally contain renewal provisions for varying periods of time. Our significant contractual obligations and commitments as of March 31, 2023 are summarized in the following table:

<i>(In thousands)</i>	Payments Due by Period				
	Total	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years
Long term debt obligations <sup>(1)</sup>	\$ 750,990	\$ 20,714	\$ 120,526	\$ 609,750	\$ —
Operating Lease obligations <sup>(2)</sup>	1,027,700	176,218	290,688	199,724	361,07
Product purchase obligations <sup>(3)</sup>	1,161,097	1,161,097	—	—	—
Sponsorships and other <sup>(4)</sup>	412,425	83,342	189,758	40,575	98,75
Total future minimum payments	\$ 3,352,212	\$ 1,441,371	\$ 600,972	\$ 850,049	\$ 459,82

<sup>(1)</sup> Includes estimated interest payments based on applicable fixed interest rates as of March 31, 2023, timing of scheduled payments, and the term of the debt obligations.

<sup>(2)</sup> Includes the minimum payments for lease obligations. The lease obligations do not include any contingent rent expense we may incur at our Brand and Factory house stores based on future sales above a specified minimum or payments made for maintenance, insurance and real estate taxes. Contingent rent expense was \$14.2 million for Fiscal 2023.

<sup>(3)</sup> We generally place orders with our manufacturers at least three to four months in advance of expected future sales. The amounts listed for product purchase obligations primarily represent our open production purchase orders with our manufacturers for our apparel, footwear and accessories, including expected inbound freight, duties and other costs. These open purchase orders specify fixed or minimum quantities of products at determinable prices. The product purchase obligations also includes fabric commitments with our suppliers, which secure a portion of our material needs for future seasons. The reported amounts exclude product purchase liabilities included in accounts payable as of March 31, 2023.

<sup>(4)</sup> Includes sponsorships with professional teams, professional leagues, colleges and universities, individual athletes, athletic events and other marketing commitments in order to promote our brand. Some of these sponsorship agreements provide for additional performance incentives and product supply obligations. It is not possible to determine how much we will spend on product supply obligations on an annual basis as contracts generally do not stipulate specific cash amounts to be spent on products. The amount of product provided to these sponsorships depends on many factors including general playing conditions, the number of sporting events in which they participate and our decisions regarding product and marketing initiatives. In addition, it is not possible to determine the performance incentive amounts we may be required to pay under these agreements as they are primarily subject to certain performance based and other variables. The amounts listed above are the fixed minimum amounts required to be paid under these sponsorship agreements. Additionally, these amounts include minimum guaranteed royalty payments to endorsers and licensors based upon a predetermined percent of sales of particular products.

The table above excludes a liability of \$58.8 million for uncertain tax positions, inclusive of related interest and penalties, as the Company is unable to reasonably estimate the timing an amount of future cash settlement. Refer to Note 17 to the Consolidated Financial Statements for a further discussion of our uncertain tax positions.

### Cash Flows

The following table presents the major components of our cash flows provided by and used in operating, investing and financing activities for the periods presented:

<i>(In thousands)</i>	Year ended March 31, 2023	Twelve months ended March 31, 2022	Change \$
Net cash provided by (used in):			
Operating activities	\$ (9,914)	\$ 493,974	\$ (503,888)
Investing activities	(152,796)	(100,365)	(52,431)
Financing activities	(126,375)	(725,806)	599,431
Effect of exchange rate changes on cash and cash equivalents	(5,315)	(5,357)	42
Net increase (decrease) in cash and cash equivalents	\$ (294,400)	\$ (337,554)	\$ 43,154

### **Operating Activities**

Cash flows from operating activities decreased by \$503.9 million, as compared to the twelve months ended March 31, 2022, primarily driven by a decrease in net income before the impact of non-cash items of \$54.0 million and a decrease from changes in working capital of \$449.9 million.

The changes in working capital were due to the following outflows:

- \$411.3 million from changes in inventories;
- \$140.7 million from changes in other non-current assets;
- \$69.5 million from changes in accounts receivable; and
- \$20.3 million from changes in prepaid expenses and other current assets.

These outflows were partially offset by the following working capital inflows:

- \$127.6 million from changes in accrued expenses and other liabilities;
- \$33.2 million from changes in customer refund liabilities;
- \$26.4 million from changes in accounts payable; and
- \$5.0 million from changes in income taxes payable and receivable, net.

### **Investing Activities**

Cash flows used in investing activities increased by \$52.4 million, as compared to the twelve months ended March 31, 2022. This was primarily due to an increase in capital expenditures, partially offset by the collection of the year one earn-out previously recorded in connection with the sale of the MyFitnessPal platform.

Total capital expenditures during Fiscal 2023 were \$187.8 million, or approximately 3% of net revenues, representing an \$86.6 million increase from \$101.2 million during the twelve months ended March 31, 2022. During Fiscal 2021, we reduced capital expenditures in response to ongoing uncertainty related to COVID-19. Our long-term operating principle for capital expenditures is to spend between 3% and 5% of annual net revenues as we invest in our global direct-to-consumer, e-Commerce and digital businesses, information technology systems, distribution centers and our global offices, including our new global headquarters in the Baltimore Peninsula, an area of Baltimore, Maryland, previously referred to as Port Covington. During Fiscal 2023, we incurred capital expenditures of \$68.1 million relating to the construction of our new global headquarters. As previously disclosed, our plans for our new headquarters have been designed in line with our long-term sustainability strategy and include a commitment to reduce greenhouse gas emissions and increase sourcing of renewable electricity in our owned and operated facilities. We expect a portion of our capital expenditures over the next few years to include investments incorporating sustainable and intelligent building design features into this facility.

### **Financing Activities**

Cash flows used in financing activities decreased by \$599.4 million, as compared to the twelve months ended March 31, 2022. During the twelve months ended March 31, 2022, we paid \$506.3 million to certain exchanging holders for the exchange of approximately \$419.1 million in aggregate principal amount of our 1.50% Convertible Senior Notes. Concurrently with these exchanges we terminated certain capped call agreements and in exchange received approximately \$91.7 million. For more details, see discussion below under "1.50% Convertible Senior Notes". Additionally, during Fiscal 2023 and the twelve months ended March 31, 2022, we paid \$125.0 million and \$300.0 million, respectively, to repurchase shares of our Class C Common Stock through accelerated share repurchase programs. For more details, see discussion above under "Share Repurchase Program".

### **Capital Resources**

#### **Credit Facility**

On March 8, 2019, we entered into an amended and restated credit agreement by and among us, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders and arrangers party thereto (the "credit agreement"). In May 2020, May 2021 and December 2021, we entered into the first, second and third amendments to the credit agreement, respectively (the credit agreement as amended and the "amended credit agreement" or the "revolving credit facility"). The amended credit agreement provides for revolving credit commitments of \$1.1 billion and has a term that ends on December 3, 2026, with permitted extensions under certain circumstances. As of March 31, 2023 and March 31, 2022, there were no amounts outstanding under the revolving credit facility.

At our request and a lender's consent, commitments under the amended credit agreement may be increased by up to \$300.0 million in aggregate, subject to certain conditions as set forth in the amended credit agreement. Incremental borrowings are uncommitted and the availability thereof will depend on market conditions at the time we seek to incur such borrowings.

Borrowings, if any, under the revolving credit facility have maturities of less than one year. Up to \$50.0 million of the facility may be used for the issuance of letters of credit. As of March 31, 2023, there was \$4.4 million of letters of credit outstanding (March 31, 2022: \$4.5 million).

Our obligations under the amended credit agreement are guaranteed by certain domestic significant subsidiaries of Under Armour, Inc., subject to customary exceptions (the "subsidiary guarantors") and primarily secured by a first-priority security interest in substantially all of the assets of Under Armour, Inc. and the subsidiary guarantors, excluding real property, capital stock in and debt of subsidiaries of Under Armour, Inc. holding certain real property and other customary exceptions. The amended credit agreement provides for the permanent fall away of guarantees and collateral upon our achievement of investment grade rating from two rating agencies.

The amended credit agreement contains negative covenants that, subject to significant exceptions, limit our ability to, among other things: incur additional secured and unsecured indebtedness; pledge the assets as security; make investments, loans, advances, guarantees and acquisitions (including investments in and loans to non-guarantor subsidiaries); undergo fundamental changes; sell assets outside the ordinary course of business; enter into transactions with affiliates; and make restricted payments.

We are also required to maintain a ratio of consolidated EBITDA, to consolidated interest expense of not less than 3.50 to 1.0 (the "interest coverage covenant") and we are not permitted to allow the ratio of consolidated total indebtedness to consolidated EBITDA to be greater than 3.25 to 1.0 (the "leverage covenant"), as described in more detail in the amended credit agreement. As of March 31, 2023, we were in compliance with the applicable covenants.

In addition, the amended credit agreement contains events of default that are customary for a facility of this nature, and includes a cross default provision whereby an event of default under other material indebtedness, as defined in the amended credit agreement, will be considered an event of default under the amended credit agreement.

The amended credit agreement implements SOFR as the replacement of LIBOR as a benchmark interest rate for the U.S. dollar borrowings (and analogous benchmark rate replacements for borrowings in Yen, Canadian dollars, Pound Sterling and Euro). Borrowings under the amended credit agreement bear interest at a rate per annum equal to, at our option, either (a) an alternate base rate (for borrowings in U.S. dollars), (b) a term rate (for borrowings in U.S. dollars, Euros, Japanese Yen or Canadian dollars) or (c) a "risk free" rate (for borrowings in U.S. dollars or Pounds Sterling), plus in each case an applicable margin. The applicable margin for loans will be adjusted by reference to a grid (the "pricing grid") based on the leverage ratio of consolidated total indebtedness to consolidated EBITDA and ranges between 1.00% to 1.75% (or, in the case of alternate base rate loans 0.00% to 0.75%). We will also pay a commitment fee determined in accordance with the pricing grid on the average daily unused amount of the revolving credit facility and certain fees with respect to letters of credit. As of March 31, 2023, the commitment fee was 17.5 basis points.

#### **1.50% Convertible Senior Notes**

In May 2020, we issued \$500.0 million aggregate principal amount of 1.50% convertible senior notes due 2024 (the "Convertible Senior Notes"). The Convertible Senior Notes bear interest at the fixed rate of 1.50% per annum, payable semiannually in arrears on June 1 and December 1 of each year, beginning December 1, 2020. The Convertible Senior Notes will mature on June 1, 2024, unless earlier converted in accordance with their terms, redeemed in accordance with their terms or repurchased.

The net proceeds from the offering (including the net proceeds from the exercise of the over-allotment option) were \$488.8 million, after deducting the initial purchasers' discount and estimated offering expenses that we paid, of which we used \$47.9 million to pay the cost of the capped call transactions described below. We utilized \$439.9 million to repay indebtedness that was outstanding under our revolving credit facility at the time, and to pay related fees and expenses.

The Convertible Senior Notes are not secured and are not guaranteed by any of our subsidiaries. The indenture governing the Convertible Senior Notes does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by us or any of our subsidiaries.

During Fiscal 2021, we entered into exchange agreements with certain holders of the Convertible Senior Notes, who agreed to exchange approximately \$419.1 million in aggregate principal amount of the Convertible Senior Notes for cash and/or shares of our Class C Common Stock, plus payment for accrued and unpaid interest (the "Exchanges"). In connection with the Exchanges, we paid approximately \$507.0 million cash and issued approximately 18.8 million shares of the Company's Class C Common Stock to the exchanging holders. Additionally, we recognized losses on debt extinguishment of \$58.5 million during Fiscal 2021, within Other Income (Expense), net on our Consolidated Statements of Operations. Following the Exchanges, approximately \$80.9 million aggregate principal amount of the Convertible Senior Notes remain outstanding as of March 31, 2023.

The Convertible Senior Notes are convertible into cash, shares of our Class C Common Stock or a combination of cash and shares of Class C Common Stock, at our election, as described further below. The initial conversion rate is 101.8589 shares of our Class C Common Stock per \$1,000 principal amount of Convertible Senior Notes (equivalent to an initial conversion price of approximately \$9.82 per share of Class C Common Stock), subject to adjustment if certain events occur. Prior to the close of business on the business day immediately preceding January 1, 2024, holders may (at their option) convert their Convertible Senior Notes only upon satisfaction of one or more of the following conditions:

- during any calendar quarter commencing after the calendar quarter ended on September 30, 2020 (and only during such calendar quarter), if the last reported sale price of our Class C Common Stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price per \$1,000 principal amount of Convertible Senior Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our Class C Common Stock and the conversion rate on each such trading day;
- upon the occurrence of specified corporate events or distributions on our Class C Common Stock; or
- if we call any Convertible Senior Notes for redemption prior to the close of business on the business day immediately preceding January 1, 2024.

On or after January 1, 2024, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their Convertible Senior Notes at the conversion rate at any time irrespective of the foregoing conditions.

Beginning on December 6, 2022, we may redeem for cash all or any part of the Convertible Senior Notes, at our option, if the last reported sale price of our Class C Common Stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption at a redemption price equal to 100% of the aggregate principal amount of the Convertible Senior Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

If we undergo a fundamental change (as defined in the indenture governing the Convertible Senior Notes) prior to the maturity date, subject to certain conditions, holders may require us to repurchase for cash all or any portion of their Convertible Senior Notes in principal amounts of \$1,000 or an integral multiple thereof at a price which will be equal to 100% of the aggregate principal amount of the Convertible Senior Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

Concurrently with the offering of the Convertible Senior Notes, we entered into privately negotiated capped call transactions with JPMorgan Chase Bank, National Association, HSBC Bank USA, National Association, and Citibank, N.A. (the "option counterparties"). The capped call transactions are expected generally to reduce potential dilution to our Class C Common Stock upon any conversion of Convertible Senior Notes and/or offset any cash payments we are required to make in excess of the aggregate principal amount of converted Convertible Senior Notes upon any conversion thereof, as the case may be, with such reduction and/or offset subject to a cap based on the cap price. The cap price of the capped call transactions is initially \$13.4750 per share of our Class C Common Stock, representing a premium of 75% above the last reported sale price of our Class C Common Stock on May 21, 2020, and is subject to certain adjustments under the terms of the capped call transactions.

During Fiscal 2021, concurrently with the Exchanges, we entered into, with each of the option counterparties, termination agreements relating to a number of options corresponding to the number of Convertible Senior Notes exchanged. Pursuant to such termination agreements, each of the option counterparties paid us a

cash settlement amount in respect of the portion of capped call transactions being terminated. We received approximately \$91.7 million in connection with such termination agreements related to the Exchanges.

The Convertible Senior Notes contain a cash conversion feature. Prior to the adoption of Accounting Standards Update ("ASU") No. 2020-06 "Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40)" ("ASU 2020-06"), we had separated it into liability and equity components. We valued the liability component based on its borrowing rate for a similar debt instrument that does not contain a conversion feature. The equity component, which was recognized as a debt discount, was valued as the difference between the face value of the Convertible Senior Notes and the fair value of the liability component.

We adopted ASU 2020-06 on January 1, 2022 using the modified retrospective method. As a result, the Convertible Senior Notes are no longer accounted for as separate liability and equity components, but rather a single liability. See Note 2 to the Condensed Consolidated Financial Statements included in Part I of our Transition Report on Form 10-QT for the three months ended March 31, 2022 for more details.

### **3.250% Senior Notes**

In June 2016, we issued \$600.0 million aggregate principal amount of 3.250% senior unsecured notes due June 15, 2026 (the "Senior Notes"). The proceeds were used to pay down amounts outstanding under the revolving credit facility, at the time. The Senior Notes bear interest at the fixed rate of 3.250% per annum, payable semi-annually on June 15 and December 15 beginning December 15, 2016. Prior to March 15, 2026 (three months prior to the maturity date of the Notes), we may redeem some or all of the Senior Notes at any time or from time to time at a redemption price equal to the greater of 100% of the principal amount of the Senior Notes to be redeemed or a "make-whole" amount applicable to such Senior Notes as described in the indenture governing the Senior Notes, plus accrued and unpaid interest to, but excluding, the redemption date.

The indenture governing the Senior Notes contains covenants, including limitations that restrict our ability and the ability of certain of our subsidiaries to create or incur secured indebtedness and enter into sale and leaseback transactions and our ability to consolidate, merge or transfer all or substantially all of our properties or assets to another person, in each case subject to material exceptions described in the indenture.

### **CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

Our Consolidated Financial Statements have been prepared in accordance with U.S. GAAP. To prepare these financial statements, we must make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosures of contingent assets and liabilities. Our estimates are often based on complex judgments, probabilities and assumptions that management believes to be reasonable, but that are inherently uncertain and unpredictable. It is also possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts. Actual results could be significantly different from these estimates.

#### *Revenue Recognition*

We recognize revenue pursuant to Accounting Standards Codification 606 ("ASC 606"). The amount of revenue recognized considers terms of sale that create variability in the amount of consideration that we ultimately expect to be entitled to in exchange for the products or services and is subject to an overall constraint that a significant revenue reversal will not occur in future periods.

We record reductions to revenue at the time of the transaction for estimated customer returns, allowances, markdowns and discounts. We base these estimates on historical rates of customer returns and allowances as well as the specific identification of outstanding returns, markdowns and allowances that have not yet been received by us. The actual amount of customer returns and allowances, which are inherently uncertain, may differ from our estimates. If we determine that actual or expected returns or allowances are significantly higher or lower than the reserves we established, we would record a reduction or increase, as appropriate, to net sales in the period in which we make such a determination. Provisions for customer specific discounts are based on contractual obligations with certain major customers. Reserves for returns, allowances, markdowns and discounts are included within customer refund liability and the value of inventory associated with reserves for sales returns are included within prepaid expenses and other current assets on the Consolidated Balance Sheets. As of March 31, 2023 and 2022, there were \$160.5 million and \$159.6 million, respectively, in reserves for returns, allowances, markdowns and discounts within customer refund liability and \$40.7 million and \$44.3 million, respectively, as the estimated value of inventory associated with the reserves for sales returns within prepaid expenses and other current assets on the Consolidated Balance Sheets.

*Allowance for Doubtful Accounts*

We make ongoing estimates relating to the collectability of accounts receivable and maintain an allowance for estimated losses resulting from the inability of our customers to make required payments. In determining the amount of the reserve, we consider historical levels of credit losses and significant economic developments within the retail environment that could impact the ability of our customers to pay outstanding balances and make judgments about the creditworthiness of significant customers based on ongoing credit evaluations. Because we cannot predict future changes in the financial stability of our customers, actual future losses from uncollectible accounts may differ from estimates. If the financial condition of customers were to deteriorate, resulting in their inability to make payments, a larger reserve might be required. In the event we determine a smaller or larger reserve is appropriate, we would record a benefit or charge to selling, general and administrative expense in the period in which such a determination was made. As of March 31, 2023 and 2022, the allowance for doubtful accounts was \$10.8 million and \$7.1 million, respectively.

*Inventory Valuation and Reserves*

Inventories consist primarily of finished goods. Costs of finished goods inventories include all costs incurred to bring inventory to its current condition, including inbound freight, duties and other costs. We value our inventory at standard cost which approximates landed cost, using the first-in, first-out method of cost determination. Net realizable value is estimated based upon assumptions made about future demand and retail market conditions. If we determine that the estimated net realizable value of our inventory is less than the carrying value of such inventory, we record a charge to cost of goods sold to reflect the lower of cost or net realizable value. If actual market conditions are less favorable than those that we projected, further adjustments may be required that would increase the cost of goods sold in the period in which such a determination was made. As of March 31, 2023 and 2022, the inventory reserve was \$34.8 million and \$26.8 million, respectively.

*Goodwill, Intangible Assets and Long-Lived Assets*

Goodwill and intangible assets are recorded at their estimated fair values at the date of acquisition and are allocated to the reporting units that are expected to receive the related benefits. Goodwill and indefinite lived intangible assets are not amortized and are required to be tested for impairment at least annually or sooner whenever events or changes in circumstances indicate that it is more likely than not that the fair value of the reporting unit is less than its carrying amount. In conducting an annual impairment test, we first review qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If factors indicate that is the case, we perform the goodwill impairment test. We compare the fair value of the reporting unit with its carrying amount. We estimate fair value using the discounted cash flows model, under the income approach, which indicates the fair value of the reporting unit based on the present value of the cash flows that we expect the reporting unit to generate in the future. Our significant estimates in the discounted cash flows model include: our weighted average cost of capital, long-term rate of growth and profitability of the reporting unit's business, and working capital effects. If the carrying amount of a reporting unit exceeds its fair value, goodwill is impaired to the extent that the carrying value exceeds the fair value of the reporting unit.

*Income Taxes*

Income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of our assets and liabilities at tax rates expected to be in effect when such assets or liabilities are realized or settled. Deferred income tax assets are reduced by valuation allowances when necessary. We have made the policy election to record any liability associated with Global Intangible Low Taxed Income ("GILTI") in the period in which it is incurred.

Income taxes include the largest amount of tax benefit for an uncertain tax position that is more likely than not to be sustained upon audit based on the technical merits of the tax position. Settlements with tax authorities, the expiration of statutes of limitations for particular tax positions or obtaining new information on particular tax positions may cause a change to the effective tax rate. We recognize accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes on the Consolidated Statement of Operations.

Assessing whether deferred tax assets are realizable requires significant judgment. We consider all available positive and negative evidence, including historical operating performance and expectations of future operating performance. The ultimate realization of deferred tax assets is often dependent upon future taxable income and therefore can be uncertain. To the extent we believe it is more likely than not that all or some portion of the asset will not be realized, valuation allowances are established against our deferred tax assets, which increase income tax expense in the period when such a determination is made.

A significant portion of our deferred tax assets relate to U.S. federal and state taxing jurisdictions. Realization of these deferred tax assets is dependent on future U.S. pre-tax earnings. In evaluating the recoverability of these deferred tax assets as of March 31, 2023, we have considered all available evidence, both positive and negative, including but not limited to the following:

Positive

- Current year pre-tax earnings including positive financial taxable income in the U.S. federal jurisdiction.
- Prior three-year cumulative positive financial taxable income in the U.S. federal jurisdiction.
- Forecasted future positive financial taxable income in the U.S.
- No material definite lived tax attributes (excluding capital loss) subject to expiration in the near short term.
- No history of U.S. federal and material state tax attributes expiring unused.
- Available prudent and feasible tax planning strategies.

Negative

- Prior three-year cumulative financial taxable loss in the U.S. state jurisdictions.
- Inherent challenges in forecasting sufficient future U.S. state pre-tax earnings to overcome existing cumulative losses in prior years.
- Existing definite life state attributes related to credits and net operating losses.

As of March 31, 2023, we believe that the weight of the positive evidence outweighs the negative evidence regarding the realization of our U.S. federal deferred tax assets, resulting in the release of the corresponding valuation allowances in the fourth quarter of the Fiscal 2023. The release of U.S. federal valuation allowance (excluding capital losses) resulted in a material benefit to income tax expense and net income in the period. As of March 31, 2023, for U.S. states, we believe the weight of the negative evidence continues to outweigh the positive evidence regarding the realization of the state deferred tax assets and have maintained a valuation allowance against these assets. Our current forecast for the U.S. indicates that there is a possibility that within the next 12 months, sufficient positive evidence may become available to reach a conclusion that a portion of the U.S state valuation allowance will no longer be required. The actualization of these forecasted results may result in a reversal of a portion of previously recorded U.S state valuation allowances in the United States. The release of valuation allowances would result in a benefit to income tax expense in the period the release is recorded. The timing and amount are subject to change based on the actual profitability that we are able to actually achieve in the United States.

As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. We will continue to evaluate our ability to realize our net deferred tax assets on a quarterly basis.

*Stock-Based Compensation*

The assumptions used in calculating the fair value of stock-based compensation awards represent management's best estimates, but the estimates involve inherent uncertainties and the application of management judgment. In addition, compensation expense for performance-based awards is recorded over the related service period when achievement of the performance targets is deemed probable, which requires management judgment.

**Summary of Significant Account Policies**

Refer to Note 2 of our Consolidated Financial Statements, included in this Annual Report on Form 10-K, for a summary of our significant accounting policies and our assessment of recently issued accounting standards.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

*Foreign Currency and Interest Rate Risk*

We are exposed to global market risks, including the effects of changes in foreign currency and interest rates. We use derivative instruments to manage financial exposures that occur in the normal course of business and do not hold or issue derivatives for trading or speculative purposes.

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We may elect to designate certain derivatives as hedging instruments under U.S. GAAP. We formally document all relationships between designated hedging instruments and hedged items, as well as our risk management objectives and strategies for undertaking hedged transactions. This process includes linking all derivatives designated as hedges to forecasted cash flows and assessing, both at inception and on an ongoing basis, the effectiveness of the hedging relationships.

Our foreign exchange risk management program consists of designated cash flow hedges and undesignated hedges. As of March 31, 2023, we had hedge instruments, primarily for British Pound/U.S. Dollar, U.S. Dollar/Chinese Renminbi, Euro/U.S. Dollar, U.S. Dollar/Canadian Dollar, U.S. Dollar/Mexican Peso and U.S. Dollar/South Korean Won currency pairs. All derivatives are recognized on the Consolidated Balance Sheets at fair value and classified based on the instruments maturity dates. The table below provides information about our foreign currency forward exchange agreements for the currencies listed above and presents the notional amounts and weighted average exchange rates by contractual maturity dates:

(In thousands)		Fiscal year ending March 31,					Fair Value as of			
		2024	2025	2026	2027	2028 and There-after	Total	March 31, 2023	March 31, 2022	December 31, 2021
<b>On-Balance Sheet Financial Instruments</b>										
<b>USD Functional Currency</b>										
EUR	Notional	\$ 91,046	\$ 22,218	\$ —	\$ —	\$ —	\$ 113,264	\$ (3,263)	\$ 2,238	\$ 4,447
	Weighted Average Exchange Rate	1.07	1.05				1.07			
GBP	Notional	213,437	43,741	—	—	—	257,178	6,024	8,764	3,270
	Weighted Average Exchange Rate	1.29	1.19				1.27			
<b>CNY Functional Currency</b>										
USD	Notional	121,935	35,842	—	—	—	157,777	2,461	(7,691)	(6,090)
	Weighted Average Exchange Rate	6.65	6.75				6.67			
<b>CAD Functional Currency</b>										
USD	Notional	71,318	32,491	—	—	—	103,809	3,538	(775)	(343)
	Weighted Average Exchange Rate	1.29	1.32				1.30			
<b>MXN Functional Currency</b>										
USD	Notional	75,527	15,568	—	—	—	91,095	(15,271)	(2,917)	(237)
	Weighted Average Exchange Rate	22.00	22.58				22.10			
<b>KRW Functional Currency</b>										
USD	Notional	25,561	16,714	—	—	—	42,275	646	(1,790)	—
	Weighted Average Exchange Rate	1,234.64	1,310.96				1,264.82			

We currently generate a majority of our consolidated net revenues in the United States, and the reporting currency for our Consolidated Financial Statements is the U.S. dollar. As our net revenues and expenses generated outside of the United States increase, our results of operations could be adversely impacted by changes in foreign currency exchange rates. For example, as we recognize foreign revenues in local foreign currencies and if the U.S. dollar strengthens, it could have a negative impact on our foreign revenues upon translation of those results into the U.S. dollar upon consolidation of our financial statements. In addition, we are exposed to gains and losses resulting from fluctuations in foreign currency exchange rates relating to transactions generated by our international subsidiaries in currencies other than their local currencies. These gains and losses are driven by non-functional currency generated revenue, non-functional currency inventory purchases, investments in U.S. dollar denominated available-for-sale debt securities, and certain other intercompany transactions. As of March 31, 2023, the aggregate notional value of our outstanding cash flow hedges was \$799.7 million, with contract maturities ranging from one to twenty-four months.

In order to maintain liquidity and fund business operations, we may enter into long term debt arrangements with various lenders which bear a range of fixed and variable rates of interest. The nature and amount of our long term debt can be expected to vary as a result of future business requirements, market conditions and other factors.

We may elect to enter into interest rate swap contracts to reduce the impact associated with interest rate fluctuations from time to time. Our interest rate swap contracts are accounted for as cash flow hedges.

For contracts designated as cash flow hedges, the changes in fair value are reported as other comprehensive income and are recognized in current earnings in the period or periods during which the hedged transaction affects current earnings. One of the criteria for this accounting treatment is the notional value of these derivative contracts should not be in excess of specifically identified anticipated transactions. By their very nature, our estimates of the anticipated transactions may fluctuate over time and may ultimately vary from actual transactions. When anticipated transaction estimates or actual transaction amounts decline below hedged levels, or if it is no longer probable a forecasted transaction will occur by the end of the originally specified time period or within an additional two-month period of time, we are required to reclassify the cumulative change in fair value of the over-hedged portion of the related hedge contract from Other comprehensive income (loss) to Other expense, net during the period in which the decrease occurs.

We enter into derivative contracts with major financial institutions with investment grade credit ratings and are exposed to credit losses in the event of non-performance by these financial institutions. This credit risk is generally limited to the unrealized gains in the derivative contracts. However, we monitor the credit quality of these financial institutions and consider the risk of counterparty default to be minimal. Although we have entered into foreign currency contracts to minimize some of the impact of foreign currency exchange rate fluctuations on future cash flows, we cannot be assured that foreign currency exchange rate fluctuations will not have a material adverse impact on our financial condition and results of operations.

#### *Credit Risk*

We are exposed to credit risk primarily on our accounts receivable. We provide credit to customers in the ordinary course of business and perform ongoing credit evaluations. We believe that our exposure to concentrations of credit risk with respect to trade receivables is largely mitigated by our customer base. We believe that our allowance for doubtful accounts is sufficient to cover customer credit risks as of March 31, 2023. Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates - Allowance for Doubtful Accounts" for a further discussion on our policies.

#### *Inflation*

Inflationary pressures have and may continue to adversely affect our operating results. We continue to monitor these factors and the potential impacts they may have on our financial results, including product input costs, freight costs and consumer discretionary spending and therefore consumer demand on our products. See our "Risk Factors—Economic and Industry Risks—*Our business depends on consumer purchases of discretionary items, which can be negatively impacted during an economic downturn or periods of inflation. This could materially impact our sales, profitability and financial condition*" included in Item 1A of this Annual Report on Form 10-K.



## **Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholders of Under Armour, Inc.

### ***Opinions on the Financial Statements and Internal Control over Financial Reporting***

We have audited the accompanying consolidated balance sheets of Under Armour, Inc. and its subsidiaries (the "Company") as of March 31, 2023, March 31, 2022 and December 31, 2021, and the related consolidated statements of operations, of comprehensive income (loss), of stockholders' equity and of cash flows for the year ended March 31, 2023, for the three months ended March 31, 2022 and for the years ended December 31, 2021 and 2020, including the related notes and schedule of valuation and qualifying accounts for the year ended March 31, 2023, for the three months ended March 31, 2022 and for the years ended December 31, 2021 and 2020 listed in the index appearing under Item 15(a)(2) (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of March 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2023, March 31, 2022 and December 31, 2021, and the results of its operations and its cash flows for the year ended March 31, 2023, for the three months ended March 31, 2022 and for the years ended December 31, 2021 and 2020 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2023, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

### ***Basis for Opinions***

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Report of Management on Internal Control over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

### ***Definition and Limitations of Internal Control over Financial Reporting***

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail,

accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Critical Audit Matters**

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

*Reserve for Customer Returns*

As described in Note 2 to the consolidated financial statements, the Company recorded \$160.5 million as of March 31, 2023 in reserves for returns, allowances, markdowns and discounts within customer refund liability. Management bases its estimates of the reserve for customer returns on historical rates of customer returns and allowances as well as the specific identification of outstanding returns, markdowns and allowances that have not yet been received by the Company.

The principal considerations for our determination that performing procedures relating to the reserve for customer returns is a critical audit matter are (i) the significant judgment by management in developing the estimate of reserve for customer returns, and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumption related to the amount of outstanding returns that have not yet been received by the Company.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's estimate of the reserve for customer returns, including the assumption related to the outstanding returns that have not yet been received by the Company. These procedures also included, among others, testing management's process for developing the customer returns reserve; evaluating the appropriateness of the method; testing the completeness, accuracy, and relevance of underlying data used in the estimate; and evaluating the reasonableness of management's significant assumption related to the amount of outstanding returns that have not yet been received by the Company. Evaluating management's significant assumption related to outstanding returns that have not yet been received by the Company involved evaluating whether the assumption used by management was reasonable considering (i) historical rates of customer returns; (ii) specific identification of outstanding returns; and (iii) whether these assumptions were consistent with evidence obtained in other areas of the audit.

/s/ PricewaterhouseCoopers LLP

Baltimore, Maryland

May 24, 2023

We have served as the Company's auditor since 2003.

**Under Armour, Inc. and Subsidiaries**  
**Consolidated Balance Sheets**  
(In thousands, except share data)

	March 31, 2023	March 31, 2022	December 31, 2021
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 711,910	\$ 1,009,139	\$ 1,669,453
Accounts receivable, net (Note 3)	759,860	702,197	569,014
Inventories	1,190,253	824,455	811,410
Prepaid expenses and other current assets, net	297,563	297,034	286,422
Total current assets	2,959,586	2,832,825	3,336,299
Property and equipment, net (Note 4)	672,736	601,365	607,226
Operating lease right-of-use assets (Note 5)	489,306	420,397	448,364
Goodwill (Note 6)	481,992	491,508	495,215
Intangible assets, net (Note 7)	8,940	10,580	11,010
Deferred income taxes (Note 17)	186,167	20,141	17,812
Other long-term assets	58,356	76,016	75,470
Total assets	\$ 4,857,083	\$ 4,452,832	\$ 4,991,396
<b>Liabilities and Stockholders' Equity</b>			
Current liabilities			
Accounts payable	\$ 649,116	\$ 560,331	\$ 613,307
Accrued expenses	354,643	317,963	460,165
Customer refund liabilities (Note 11)	160,533	159,628	164,294
Operating lease liabilities (Note 5)	140,990	134,833	138,664
Other current liabilities	51,609	125,840	73,746
Total current liabilities	1,356,891	1,298,595	1,450,176
Long term debt, net of current maturities (Note 8)	674,478	672,286	662,531
Operating lease liabilities, non-current (Note 5)	705,713	668,983	703,111
Other long-term liabilities	121,598	84,014	86,584
Total liabilities	2,858,680	2,723,878	2,902,402
Stockholders' equity (Note 10)			
Class A Common Stock, \$0.0003 1/3 par value; 400,000,000 shares authorized as of March 31, 2023, March 31, 2022 and December 31, 2021; 188,704,689 shares issued and outstanding as of March 31, 2023 (March 31, 2022: 188,668,560 and December 31, 2021: 188,650,987)	63	63	63
Class B Convertible Common Stock, \$0.0003 1/3 par value; 34,450,000 shares authorized, issued and outstanding as of March 31, 2023, March 31, 2022 and December 31, 2021	11	11	11
Class C Common Stock, \$0.0003 1/3 par value; 400,000,000 shares authorized as of March 31, 2023, March 31, 2022 and December 31, 2021; 221,346,517 shares issued and outstanding as of March 31, 2023 (March 31, 2022: 238,472,217 and December 31, 2021: 253,161,064)	73	79	84
Additional paid-in capital	1,136,536	1,046,961	1,108,613
Retained earnings	929,562	721,926	1,027,833
Accumulated other comprehensive income (loss)	(67,842)	(40,086)	(47,610)
Total stockholders' equity	1,998,403	1,728,954	2,088,994
Total liabilities and stockholders' equity	\$ 4,857,083	\$ 4,452,832	\$ 4,991,396

Commitments and Contingencies (Note 9)  
Related Party Transactions (Note 20)

See accompanying notes.

**Under Armour, Inc. and Subsidiaries**  
**Consolidated Statements of Operations**  
(In thousands, except per share amounts)

	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021	Year Ended December 31, 2020
Net revenues	\$ 5,903,636	\$ 1,300,945	\$ 5,683,466	\$ 4,474,667
Cost of goods sold	3,254,296	695,781	2,821,967	2,314,572
Gross profit	2,649,340	605,164	2,861,499	2,160,095
Selling, general and administrative expenses	2,365,529	594,446	2,334,691	2,171,934
Restructuring and impairment charges	—	56,674	40,518	601,599
Income (loss) from operations	283,811	(45,956)	486,290	(613,438)
Interest income (expense), net	(12,826)	(6,154)	(44,300)	(47,259)
Other income (expense), net	16,780	(51)	(51,113)	168,153
Income (loss) before income taxes	287,765	(52,161)	390,877	(492,544)
Income tax expense (benefit)	(101,046)	8,181	32,072	49,387
Income (loss) from equity method investments	(2,042)	732	1,255	(7,246)
Net income (loss)	\$ 386,769	\$ (59,610)	\$ 360,060	\$ (549,177)
Basic net income (loss) per share of Class A, B and C common stock (Note 18)	\$ 0.86	\$ (0.13)	\$ 0.77	\$ (1.21)
Diluted net income (loss) per share of Class A, B and C common stock (Note 18)	\$ 0.84	\$ (0.13)	\$ 0.77	\$ (1.21)
<b>Weighted average common shares outstanding Class A, B and C common stock</b>				
Basic	451,426	471,425	465,504	454,089
Diluted	461,509	471,425	468,644	454,089

See accompanying notes.

**Under Armour, Inc. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income (Loss)**  
(In thousands)

	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021	Year Ended Decemb 31, 2020
Net income (loss)	\$ 386,769	\$ (59,610)	\$ 360,060	\$ (549,17
Other comprehensive income (loss):				
Foreign currency translation adjustment	(10,402)	7,045	(6,552)	(5,06
Unrealized gain (loss) on cash flow hedges, net of tax benefit (expense) of \$6,241, \$(909), \$(5,725) and \$1,791 for the year ended March 31, 2023, three months ended March 31, 2022 and years ended December 31, 2021, 2020, respectively.	1,473	758	18,603	(18,07
Gain (loss) on intra-entity foreign currency transactions	(18,827)	(279)	(476)	14,71
Total other comprehensive income (loss)	(27,756)	7,524	11,575	(8,42
Comprehensive income (loss)	\$ 359,013	\$ (52,086)	\$ 371,635	\$ (557,59

See accompanying notes.

**Under Armour, Inc. and Subsidiaries**  
**Consolidated Statements of Stockholders' Equity**  
(In thousands)

	Class A Common Stock		Class B Convertible Common Stock		Class C Common Stock		Additional Paid-in- Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Equity
	Shares	Amount	Shares	Amount	Shares	Amount				
<b>Balance as of December 31, 2019</b>	188,290	\$ 62	34,450	\$ 11	229,028	\$ 76	\$ 973,717	\$ 1,226,986	\$ (50,765)	\$ 2,150,0
Exercise of stock options	148	—	—	—	136	—	517	—	—	5
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	(1)	—	—	—	(262)	—	—	(3,954)	—	(3,9
Issuance of Class A Common Stock, net of forfeitures	166	—	—	—	—	—	—	—	—	—
Issuance of Class C Common Stock, net of forfeitures	—	—	—	—	3,052	1	4,225	—	—	4,2
Equity component value of convertible note issuance, net	—	—	—	—	—	—	40,644	—	—	40,6
Stock-based compensation expense	—	—	—	—	—	—	42,070	—	—	42,0
Comprehensive income (loss)	—	—	—	—	—	—	—	(549,177)	(8,420)	(557,5
<b>Balance as of December 31, 2020</b>	188,603	\$ 62	34,450	\$ 11	231,954	\$ 77	\$ 1,061,173	\$ 673,855	\$ (59,185)	\$ 1,675,9
Exercise of stock options	6	—	—	—	7	—	23	—	—	—
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	—	—	—	—	(291)	—	—	(6,082)	—	(6,0
Issuance of Class A Common Stock, net of forfeitures	42	1	—	—	—	—	—	—	—	—
Issuance of Class C Common Stock, net of forfeitures	—	—	—	—	21,491	7	3,623	—	—	3,6
Stock-based compensation expense	—	—	—	—	—	—	43,794	—	—	43,7
Comprehensive income (loss)	—	—	—	—	—	—	—	360,060	11,575	371,6
<b>Balance as of December 31, 2021</b>	188,651	\$ 63	34,450	\$ 11	253,161	\$ 84	\$ 1,108,613	\$ 1,027,833	\$ (47,610)	\$ 2,088,9
Adoption of ASU 2020-06	—	—	—	—	—	—	(14,351)	5,144	—	(9,2
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	—	—	—	—	—	—	—	(11,446)	—	(11,4
Class C Common Stock repurchased	—	—	—	—	(16,151)	(5)	(60,000)	(239,995)	—	(300,0
Issuance of Class A Common Stock, net of forfeitures	18	—	—	—	—	—	—	—	—	—
Issuance of Class C Common Stock, net of forfeitures	—	—	—	—	1,462	—	935	—	—	9
Stock-based compensation expense	—	—	—	—	—	—	11,764	—	—	11,7
Comprehensive income (loss)	—	—	—	—	—	—	—	(59,610)	7,524	(52,0
<b>Balance as of March 31, 2022</b>	188,669	\$ 63	34,450	\$ 11	238,472	\$ 79	\$ 1,046,961	\$ 721,926	\$ (40,086)	\$ 1,728,9
Exercise of stock options	—	—	—	—	—	—	—	—	—	—
Shares withheld in consideration of employee tax obligations relative to stock-based compensation arrangements	—	—	—	—	—	—	—	(5,151)	—	(5,1
Class C Common Stock repurchased	—	—	—	—	(18,725)	(6)	48,988	(173,982)	—	(125,0
Issuance of Class A Common Stock, net of forfeitures	36	—	—	—	—	—	—	—	—	—
Issuance of Class C Common Stock, net of forfeitures	—	—	—	—	1,600	—	3,776	—	—	3,7
Stock-based compensation expense	—	—	—	—	—	—	36,811	—	—	36,8
Comprehensive income (loss)	—	—	—	—	—	—	—	386,769	(27,756)	359,0
<b>Balance as of March 31, 2023</b>	188,705	\$ 63	34,450	\$ 11	221,347	\$ 73	\$ 1,136,536	\$ 929,562	\$ (67,842)	\$ 1,998,4

See accompanying notes.

**Under Armour, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(In thousands)

	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021	Year Ended December 31, 2020
<b>Cash flows from operating activities</b>				
Net income (loss)	\$ 386,769	\$ (59,610)	\$ 360,060	\$ (549,171)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	137,620	34,960	141,144	164,981
Unrealized foreign currency exchange rate (gain) loss	(8,463)	(8,585)	18,877	(9,250)
Loss on extinguishment of senior convertible notes	—	—	58,526	—
Loss on disposal of property and equipment	2,619	1,604	4,468	3,741
Gain on sale of the MyFitnessPal platform	—	—	—	(179,311)
Non-cash restructuring and impairment charges	1,959	(1,871)	26,938	470,541
Amortization of bond premium and debt issuance costs	2,192	549	16,891	12,071
Stock-based compensation	36,811	11,764	43,794	42,071
Deferred income taxes	(152,403)	(2,500)	(2,642)	43,981
Changes in reserves and allowances	11,696	(5,250)	(25,766)	10,341
Changes in operating assets and liabilities:				
Accounts receivable	(62,162)	(131,988)	(31,153)	167,611
Inventories	(373,714)	(6,425)	93,287	15,301
Prepaid expenses and other assets	(36,652)	(4,326)	10,224	18,601
Other non-current assets	(52,795)	27,628	79,782	(259,731)
Accounts payable	77,558	(54,970)	26,027	(40,671)
Accrued expenses and other liabilities	12,081	(122,589)	(114,794)	318,531
Customer refund liability	851	(4,398)	(38,861)	(19,251)
Income taxes payable and receivable	6,119	4,564	(1,973)	2,511
Net cash provided by (used in) operating activities	(9,914)	(321,443)	664,829	212,881
<b>Cash flows from investing activities</b>				
Purchases of property and equipment	(187,796)	(39,923)	(69,759)	(92,251)
Sale of property and equipment	—	—	1,413	—
Earn-out from the sale of MyFitnessPal platform	35,000	—	—	—
Sale of MyFitnessPal platform	—	—	—	198,911
Purchase of businesses	—	—	—	(40,281)
Net cash provided by (used in) investing activities	(152,796)	(39,923)	(68,346)	66,331
<b>Cash flows from financing activities</b>				
Proceeds from long-term debt and revolving credit facility	—	—	—	1,288,751
Payments on long-term debt and revolving credit facility	—	—	(506,280)	(800,001)
Proceeds from capped call	—	—	91,722	—
Purchase of capped call	—	—	—	(47,851)
Common shares repurchased	(125,000)	(300,000)	—	—
Employee taxes paid for shares withheld for income taxes	(5,151)	(11,446)	(5,983)	(3,671)
Proceeds from exercise of stock options and other stock issuances	3,776	934	3,688	4,741
Payments of debt financing costs	—	—	(1,884)	(5,211)
Other financing fees	—	—	—	101
Net cash provided by (used in) financing activities	(126,375)	(310,512)	(418,737)	436,881
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(5,315)	11,134	(23,391)	16,441
Net increase (decrease) in cash, cash equivalents and restricted cash	(294,400)	(660,744)	154,355	732,501
<b>Cash, cash equivalents and restricted cash</b>				
Beginning of period	1,022,126	1,682,870	1,528,515	796,001
End of period	\$ 727,726	\$ 1,022,126	\$ 1,682,870	\$ 1,528,515

**Under Armour, Inc. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(In thousands)

	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021	Year Ended December 31, 2020
<b>Non-cash investing and financing activities</b>				
Change in accrual for property and equipment	\$ 7,581	\$ (23,533)	\$ 19,214	\$ (13,87)
<b>Other supplemental information</b>				
Cash paid (received) for income taxes, net of refunds	\$ 28,542	\$ 6,851	\$ 42,623	\$ 24,4
Cash paid (received) for interest, net of capitalized interest	\$ 19,218	\$ 7,120	\$ 25,226	\$ 28,6

Reconciliation of cash, cash equivalents and restricted cash	March 31, 2023	March 31, 2022	December 31, 2021	December 31,
Cash and cash equivalents	\$ 711,910	\$ 1,009,139	\$ 1,669,453	\$ 1,51
Restricted cash	15,816	12,987	13,417	1
Total cash, cash equivalents and restricted cash	<u>\$ 727,726</u>	<u>\$ 1,022,126</u>	<u>\$ 1,682,870</u>	<u>\$ 1,52</u>

See accompanying notes.

**Under Armour, Inc. and Subsidiaries**  
**Notes to the Consolidated Financial Statements**  
(Tabular amounts in thousands, except share and per share data)

**NOTE 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION**

**Business**

Under Armour, Inc. (together with its wholly owned subsidiaries, the "Company") is a developer, marketer and distributor of branded athletic performance apparel, footwear and accessories. The Company creates products engineered to make athletes better with a vision to inspire performance solutions you never knew you needed and can't imagine living without. The Company's products are made, sold and worn worldwide.

**Fiscal Year End Change**

As previously disclosed, the Company changed its fiscal year end from December 31 to March 31, effective for the fiscal year beginning April 1, 2022. The Company's current fiscal year began on April 1, 2022 and ended on March 31, 2023 ("Fiscal 2023"). This Annual Report on Form 10-K refers to the period beginning on January 1, 2022 and ending March 31, 2022 as the "Transition Period". The Company filed a Transition Report on Form 10-QT that included financial information for the Transition Period with the SEC on May 9, 2022. The Company's 2021 fiscal year began on January 1, 2021 and ended on December 31, 2021 ("Fiscal 2021"). There was no Fiscal 2022.

**Basis of Presentation**

The accompanying Consolidated Financial Statements are presented in U.S. Dollars and include the accounts of Under Armour, Inc. and its wholly owned subsidiaries and were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Intercompany balances and transactions were eliminated upon consolidation. Throughout this Annual Report on Form 10-K, in addition to the terms Fiscal 2023, Transition Period and Fiscal 2021 which are defined above, the term "Fiscal 2020" means the Company's fiscal year beginning January 1, 2020 and ended December 31, 2020.

*Reclassifications*

As previously disclosed, beginning in the first quarter of Fiscal 2021, the Company no longer reports Connected Fitness as a discrete reportable segment. Where applicable, all prior periods that used to separately reflect financial information about the Connected Fitness business have been recast to be included within the Corporate Other reportable segment, in order to conform with current period presentation. Such reclassifications did not affect total consolidated net revenues, consolidated income from operations or consolidated net income.

Additionally, certain prior period comparative amounts in Note 17 and Note 18 have been reclassified to conform to the current period presentation. Such reclassifications were not material and did not affect the consolidated financial statements.

**Management Estimates and COVID-19 Update**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. These estimates, judgments and assumptions are evaluated on an on-going basis. The Company bases its estimates on historical experience and on various other assumptions that it believes are reasonable at that time; however, actual results could differ from these estimates.

As the impacts of major global events, including the COVID-19 pandemic, continue to evolve, estimates and assumptions about future events and their effects cannot be determined with certainty and therefore require increased judgment. The extent to which the evolving events impact the Company's financial statements will depend on a number of factors including, but not limited to, any new information that may emerge concerning the severity of these major events and the actions that governments around the world may take in response. While the Company believes it has made appropriate accounting estimates and assumptions based on the facts and circumstances available as of this reporting date, the Company may experience further impacts based on long-term effects on the Company's customers and the countries in which the Company operates. Please see the risk factors discussed in Part I, Item 1A "Risk Factors" of this Annual Report on Form 10-K.

## **NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Cash, Cash Equivalents and Restricted Cash**

In accordance with Accounting Standards Codification ("ASC") Topic 305 "Cash and Cash Equivalents", the Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash and cash equivalents. The Company's restricted cash is reserved for cash collateral held for standby letters of credit and payments related to claims for its captive insurance program, which is included in prepaid expenses and other current assets on the Company's Consolidated Balance Sheets.

### **Concentration of Credit Risk**

Financial instruments that subject the Company to significant concentration of credit risk consist primarily of accounts receivable. The majority of the Company's accounts receivable is due from large wholesale customers. As of March 31, 2023, no single customer accounted for more than 10% of the Company's accounts receivable balance. As of March 31, 2022 and December 31, 2021, one customer accounted for more than 10% of the Company's accounts receivable balance. For Fiscal 2023, no single customer accounted for more than 10% of the Company's net revenues. For Fiscal 2021, one customer within the North America region accounted for approximately 11% of the Company's net revenues. For Fiscal 2020 and the Transition Period, no single customer accounted for more than 10% of the Company's net revenues.

### **Accounts Receivable and Credit Losses - Allowance for Doubtful Accounts**

The Company is exposed to credit losses primarily through customer receivables associated with the sale of products within the Company's wholesale channel and through credit card receivables associated with the sale of products within the Company's direct-to-consumer channel, recorded within accounts receivable, net on the Company's Consolidated Balance Sheets. The Company also has other receivables, including receivables from licensing arrangements recorded in prepaid expenses and other current assets on the Company's Consolidated Balance Sheets.

Credit is extended to wholesale customers based on a credit review. The credit review considers each customer's financial condition, including a review of the customer's established credit rating or, if an established credit rating is not available, then the Company's assessment of the customer's creditworthiness is based on their financial statements, local industry practices, and business strategy. A credit limit and invoice terms are established for each customer based on the outcome of this review. To mitigate credit risk from the wholesale channel, the Company may require customers to provide security in the form of guarantees, letters of credit, deposits, collateral or prepayment. Further, to mitigate certain risk from other wholesale customers, the Company has acquired specific trade accounts receivable insurance policies.

The allowance for doubtful accounts is based on the Company's assessment of the collectability of customer accounts receivable. In accordance with ASC Topic 326 "Financial Instruments - Credit Losses", the Company makes ongoing estimates relating to the collectability of accounts receivable and records an allowance for estimated losses expected from the inability of its customers to make required payments. The Company establishes expected credit losses by evaluating historical levels of credit losses, current economic conditions that may affect a customer's ability to pay, and creditworthiness of significant customers. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. Accounts receivable are written off when there is no reasonable expectation of recovery.

### **Inventories**

Inventories consist primarily of finished goods. Costs of finished goods inventories include all costs incurred to bring inventory to its current condition, including inbound freight, duties and other costs. In accordance with ASC Topic 330 "Inventory", the Company values its inventory at standard cost which approximates landed cost, using the first-in, first-out method of cost determination. Net realizable value is estimated based upon assumptions made about future demand and retail market conditions. If the Company determines that the estimated net realizable value of its inventory is less than the carrying value of such inventory, it records a charge to cost of goods sold to reflect the lower of cost or net realizable value. If actual market conditions are less favorable than those projected by the Company, further adjustments may be required that would increase the cost of goods sold in the period in which such a determination was made.

## Property and Equipment

In accordance with ASC Topic 360 "Property, Plant and Equipment", property and equipment are stated at cost less accumulated depreciation. The Company includes the cost associated with software customized for internal use within Property and Equipment on the Company's Consolidated Balance Sheets. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets, as follows:

	Years
Furniture, fixtures and displays, office equipment, software and plant equipment <sup>(1)</sup>	3 to 10
Site improvements, buildings and building equipment	10 to 35
Leasehold and tenant improvements	Shorter of the remaining lease term or related asset life

<sup>(1)</sup> The cost of in-store apparel and footwear fixtures and displays are capitalized as part of "furniture, fixtures and displays", and depreciated over three years.

The Company periodically reviews its assets' estimated useful lives based upon actual experience and expected future utilization. A change in useful life is treated as a change in accounting estimate and is applied prospectively.

The Company capitalizes the cost of interest for long term property and equipment projects based on the Company's weighted average borrowing rates in place while the projects are in progress. Capitalized interest was \$3.1 million as of March 31, 2023 (March 31, 2022: \$1.1 million; December 31, 2021: \$1.2 million).

Upon retirement or disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in selling, general and administrative expenses for that period. Major additions and betterments are capitalized to the asset accounts while maintenance and repairs are expensed as incurred.

## Leases

The Company enters into operating leases domestically and internationally to lease certain warehouse space, office facilities, space for its Brand and Factory House stores, and certain equipment under non-cancelable operating leases. The leases expire at various dates through 2035, excluding extensions at the Company's option, and include provisions for rental adjustments.

In accordance with ASC Topic 842 "Leases", the Company accounts for a contract as a lease when it has the right to direct the use of the asset for a period of time while obtaining substantially all of the asset's economic benefits. The Company determines the initial classification and measurement of its right-of-use ("ROU") assets and lease liabilities at the lease commencement date and thereafter if modified. ROU assets represent the Company's right to control the underlying assets under lease, over the contractual term. ROU assets and lease liabilities are recognized on the Consolidated Balance Sheets based on the present value of future minimum lease payments to be made over the lease term. ROU assets and lease liabilities are established on the Company's Consolidated Balance Sheets for leases with an expected term greater than one year. Short-term lease payments were not material for Fiscal 2023, Fiscal 2021, Fiscal 2020 and the Transition Period.

As the rate implicit in a lease is not readily determinable, the Company uses its secured incremental borrowing rate to determine the present value of the lease payments. The Company calculates the incremental borrowing rate based on the current market yield curve and adjusts for foreign currency impacts for international leases.

Fixed lease costs are included in the recognition of ROU assets and lease liabilities. Variable lease costs are not included in the measurement of the lease liability. These variable lease payments are recognized in the Consolidated Statements of Operations in the period in which the obligation for those payments is incurred. Variable lease payments primarily consist of payments dependent on sales in Brand and Factory House stores. The Company has elected to combine lease and non-lease components in the determination of lease costs for its leases. The lease liability includes lease payments related to options to extend or renew the lease term only if the Company is reasonably certain to exercise those options.

## Goodwill, Intangible Assets and Long-Lived Assets

Goodwill and intangible assets are recorded at their estimated fair values at the date of acquisition and are allocated to the reporting units that are expected to receive the related benefits. Goodwill and indefinite lived intangible assets are not amortized and, in accordance with ASC Topic 350-20 "Goodwill", are required to be tested for impairment at least annually or sooner whenever events or changes in circumstances indicate that it is more

likely than not that the fair value of the reporting unit is less than its carrying amount. In conducting an annual impairment test, the Company first reviews qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If factors indicate that is the case, the Company performs the goodwill impairment test. The Company compares the fair value of the reporting unit with its carrying amount. The Company estimates fair value using the discounted cash flows model, under the income approach, which indicates the fair value of the reporting unit based on the present value of the cash flows that the Company expects the reporting unit to generate in the future. The Company's significant estimates in the discounted cash flows model include: the Company's weighted average cost of capital, long-term rate of growth and profitability of the reporting unit's business, and working capital effects. If the carrying amount of a reporting unit exceeds its fair value, goodwill is impaired to the extent that the carrying value exceeds the fair value of the reporting unit. The Company performs its annual impairment testing in the fourth quarter of each fiscal year. No goodwill impairments were recorded during Fiscal 2023, Fiscal 2021 or the Transition Period. During Fiscal 2020, as a result of the impacts of COVID-19, the Company determined that sufficient indicators existed to trigger an interim goodwill impairment analysis for all of the Company's reporting units. The Company recognized goodwill impairment charges of \$51.6 million for the Latin America reporting unit and the Canada reporting unit, which is within the North America operating segment.

The Company continually evaluates whether events and circumstances have occurred that indicate the remaining estimated useful life of long-lived assets may warrant revision or that the remaining balance may not be recoverable. These factors may include a significant deterioration of operating results, changes in business plans, or changes in anticipated cash flows. When factors indicate that an asset should be evaluated for possible impairment, the Company reviews long-lived assets to assess recoverability from future operations using undiscounted cash flows. If future undiscounted cash flows are less than the carrying value, an impairment is recognized in earnings to the extent that the carrying value exceeds fair value.

During Fiscal 2023, the Company performed an impairment analysis on its long-lived assets, including retail stores at an individual store level and determined that certain long-lived assets had net carrying values that exceeded their estimated undiscounted future cash flows. Accordingly, the Company estimated the fair values of these long-lived assets based on their market rent assessments or discounted cash flows and compared these estimated fair values to the net carrying values. The significant estimates used in the fair value methodology, which are based on Level 3 inputs, include: the Company's expectations for future operations and projected cash flows, including net revenue, gross profit and operating expenses and market conditions, including estimated market rent. As a result, the Company recorded \$2.0 million of long-lived asset impairment charges within selling, general and administrative expenses on the Consolidated Statements of Operations and as a reduction to the related asset balances on the Consolidated Balance Sheets. The long-lived asset impairment charges for Fiscal 2023 are included within the Company's operating segments as follows: \$1.4 million recorded in North America and \$0.6 million recorded in Asia-Pacific.

During Fiscal 2021, the Company recorded \$2.0 million of long-lived asset impairment charges within selling, general and administrative expenses on the Consolidated Statements of Operations and as a reduction to the related asset balances on the Consolidated Balance Sheets. During Fiscal 2020, as a result of the impacts of COVID-19, the Company recorded \$89.7 million of long-lived asset impairment charges as part of the Company's restructuring and impairment charges on the Consolidated Statements of Operations. Additionally, in connection with the Company's 2020 restructuring plan, the Company recognized \$1.7 million and \$290.8 million of long-lived asset impairment charges related to the Company's New York City flagship store during Fiscal 2021 and Fiscal 2020, respectively. Refer to Note 12 for a further discussion of the restructuring and related impairment charges. There were no impairment charges taken during the Transition Period.

## Accrued Expenses

Accrued expenses consisted of the following:

	As of March 31, 2023		As of March 31, 2022		As of December 31, 2021	
Accrued compensation and benefits	\$	66,742	\$	69,361	\$	151,887
Accrued marketing		39,832		41,854		58,754
Accrued royalties		25,415		17,262		16,386
Accrued taxes		26,297		20,055		35,588
Forward currency contract liabilities		28,067		12,303		13,193
Other		168,290		157,128		184,357
<b>Total Accrued Expenses</b>	<b>\$</b>	<b>354,643</b>	<b>\$</b>	<b>317,963</b>	<b>\$</b>	<b>460,165</b>

## **Revenue Recognition**

The Company recognizes revenue in accordance with ASC Topic 606 "Revenue from Contracts with Customers". Net revenues primarily consist of net sales of apparel, footwear and accessories, license revenues and revenues from digital subscriptions, advertising and other digital business.

The Company recognizes revenue when it satisfies its performance obligations by transferring control of promised products or services to its customers, which occurs either at a point in time or over time, depending on when the customer obtains the ability to direct the use of and obtain substantially all of the remaining benefits from the products or services. The amount of revenue recognized considers terms of sale that create variability in the amount of consideration that the Company ultimately expects to be entitled to in exchange for the products or services and is subject to an overall constraint that a significant revenue reversal will not occur in future periods. Sales taxes imposed on the Company's revenues from product sales are presented on a net basis on the Consolidated Statements of Operations, and therefore do not impact net revenues or costs of goods sold.

Revenue transactions associated with the sale of apparel, footwear, and accessories, comprise a single performance obligation, which consists of the sale of products to customers either through wholesale or direct-to-consumer channels. The Company satisfies the performance obligation and records revenues when transfer of control has passed to the customer, based on the terms of sale. In the Company's wholesale channel, transfer of control is based upon shipment under free on board shipping point for most goods or upon receipt by the customer depending on the country of the sale and the agreement with the customer. The Company may also ship product directly from its supplier to wholesale customers and recognize revenue when the product is delivered to and accepted by the customer. In the Company's direct-to-consumer channel, transfer of control takes place at the point of sale for Brand and Factory House customers and upon shipment to substantially all e-commerce customers. Payment terms for wholesale transactions are established in accordance with local and industry practices. Payment is generally required within 30 to 60 days of shipment to or receipt by the wholesale customer in the United States, and generally within 60 to 90 days of shipment to or receipt by the wholesale customer internationally. From time to time, based on market circumstances, the Company does grant certain customers with longer than average payment terms. Payment is generally due at the time of sale for direct-to-consumer transactions.

Gift cards issued to customers by the Company are recorded as contract liabilities until they are redeemed, at which point revenue is recognized. During the year-ended March 31, 2023, the Company completed an assessment of its process for estimating revenue recognized for gift card balances not expected to be redeemed ("breakage"). Based on the assessment, which included analyzing historical gift card redemption data, the Company has determined that substantially all of its gift cards are redeemed within 24 months of issuance, and after 24 months the likelihood of a gift card being redeemed is remote. Therefore, to the extent that it does not have a legal obligation to remit the value of such unredeemed gift cards to the relevant jurisdiction as unclaimed or abandoned property, the Company recognizes gift card breakage at that time when the likelihood of the gift card being redeemed is remote, which the Company has determined to be 24 months following its issuance.

The Company offers customer loyalty programs in which customers earn points based on purchases and other promotional activities that can be redeemed for discounts on future purchases or other rewards. A contract liability is estimated based on the standalone selling price of benefits earned by customers through the programs and the related redemption experience under the programs. The value of each point earned is recorded as deferred revenue and is included within accrued expenses on the Consolidated Balance Sheets.

Revenue from the Company's licensing arrangements is recognized over time during the period that licensees are provided access to the Company's trademarks and benefit from such access through their sales of licensed products. These arrangements require licensees to pay a sales-based royalty, which for most arrangements may be subject to a contractually guaranteed minimum royalty amount. Payments are generally due quarterly. The Company recognizes revenue for sales-based royalty arrangements (including those for which the royalty exceeds any contractually guaranteed minimum royalty amount) as licensed products are sold by the licensee. If a sales-based royalty is not ultimately expected to exceed a contractually guaranteed minimum royalty amount, the minimum is recognized as revenue over the contractual period, if all other criteria of revenue recognition have been met. This sales-based output measure of progress and pattern of recognition best represents the value transferred to the licensee over the term of the arrangement, as well as the amount of consideration that the Company is entitled to receive in exchange for providing access to its trademarks.

Revenue from digital subscriptions is recognized on a gross basis and is recognized over the term of the subscription. The Company receives payments in advance of revenue recognition for subscriptions and these payments are recorded as contract liabilities in the Company's Consolidated Balance Sheets. Commissions related to subscription revenue are capitalized and recognized over the subscription period, which are included in selling,

general and administrative expense in the Consolidated Statements of Operations. Revenue from digital advertising is recognized as the Company satisfies performance obligations pursuant to customer insertion orders.

The Company records reductions to revenue for estimated customer returns, allowances, markdowns, and discounts. The Company bases its estimates on historical rates of customer returns and allowances as well as the specific identification of outstanding returns, markdowns and allowances that have not yet been received by the Company. The actual amount of customer returns and allowances, which is inherently uncertain, may differ from the Company's estimates. If the Company determines that actual or expected returns or allowances are significantly higher or lower than the reserves it established, it would record a reduction or increase, as appropriate, to net sales in the period in which it makes such a determination. Provisions for customer specific discounts are based on negotiated arrangements with certain major customers. Reserves for returns, allowances, markdowns, and discounts are included within customer refund liability and the value of inventory associated with reserves for sales returns are included within prepaid expenses and other current assets on the Consolidated Balance Sheets. At a minimum, the Company reviews and refines these estimates on a quarterly basis.

The Company has made a policy election to account for shipping and handling activities that occur after the customer has obtained control of a good as a fulfillment cost rather than an additional promised service. Additionally, the Company has elected not to disclose certain information related to unsatisfied performance obligations for subscriptions for its MMR platforms, as they have an original expected length of one year or less.

### **Shipping and Handling Costs**

The Company charges customers shipping and handling fees based on contractual terms, which are recorded in net revenues. The Company incurs freight costs associated with shipping goods to customers. These costs are recorded as a component of cost of goods sold.

The Company also incurs outbound handling costs associated with preparing goods to ship to customers and certain costs to operate the Company's distribution facilities. These costs are recorded as a component of selling, general and administrative expenses. For Fiscal 2023, these costs totaled \$79.5 million (Fiscal 2021: \$82.9 million; Fiscal 2020: \$80.5 million; Transition Period: \$17.3 million).

### **Advertising Costs**

Advertising costs are charged to selling, general and administrative expenses. Advertising production costs are expensed the first time an advertisement related to such production costs is run. Media placement costs are expensed in the month during which the advertisement appears, and costs related to event sponsorships are expensed when the event occurs. In addition, advertising costs include sponsorship expenses. Accounting for sponsorship payments is based upon specific contract provisions and the payments are generally expensed uniformly over the term of the contract after recording expense related to specific performance incentives once they are deemed probable. Advertising expense, including amortization of in-store marketing fixtures and displays, was \$618.3 million for Fiscal 2023 (Fiscal 2021: \$649.2 million; Fiscal 2020: \$550.4 million; Transition Period: \$173.2 million). As of March 31, 2023, prepaid advertising costs were \$41.8 million (March 31, 2022: \$30.3 million; December 31, 2021: \$22.4 million).

### **Income Taxes**

In accordance with ASC Topic 740 "Income Taxes," income taxes are accounted for under the asset and liability method. Deferred income tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities at tax rates expected to be in effect when such assets or liabilities are realized or settled. Deferred income tax assets are reduced by valuation allowances when necessary. The Company has made the policy election to record any liability associated with Global Intangible Low Tax Income ("GILTI") in the period in which it is incurred.

Assessing whether deferred tax assets are realizable requires significant judgment. The Company considers all available positive and negative evidence, including historical operating performance and expectations of future operating performance. The ultimate realization of deferred tax assets is often dependent upon future taxable income and therefore can be uncertain. To the extent the Company believes it is more likely than not that all or some portion of the asset will not be realized, valuation allowances are established against the Company's deferred tax assets, which increase income tax expense in the period when such a determination is made.

Income taxes include the largest amount of tax benefit for an uncertain tax position that is more likely than not to be sustained upon audit based on the technical merits of the tax position. Settlements with tax authorities, the expiration of statutes of limitations for particular tax positions or obtaining new information on particular tax positions

may cause a change to the effective tax rate. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in the provision for income taxes line on the Consolidated Statements of Operations.

### **Earnings per Share**

Basic earnings per common share is computed by dividing net income available to common stockholders for the period by the weighted average number of common shares outstanding during the period. Any stock-based compensation awards that are determined to be participating securities, which are stock-based compensation awards that entitle the holders to receive dividends prior to vesting, are included in the calculation of basic earnings per share using the two class method. Diluted earnings per common share is computed by dividing net income available to common stockholders for the period by the diluted weighted average common shares outstanding during the period. Diluted earnings per share reflects the potential dilution from common shares issuable through stock options, warrants, restricted stock units, other equity awards and the Company's 1.50% convertible senior notes due 2024. Refer to Note 18 for a further discussion of earnings per share.

### **Equity Method Investment**

The Company has a common stock investment of 29.5% in its Japanese licensee. The Company accounts for its investment in its licensee under the equity method, given it has the ability to exercise significant influence, but not control, over the entity. The Company recorded its allocable share of its Japanese licensee's net income (loss) of \$(2.5) million for Fiscal 2023, (Fiscal 2021: \$1.8 million; Fiscal 2020: \$3.5 million; Transition Period: \$0.9 million) within income (loss) from equity method investment on the Consolidated Statements of Operations and as an adjustment to the invested balance within other long term assets on the Consolidated Balance Sheets. As of March 31, 2023, the carrying value of the Company's investment in its Japanese licensee was \$0.3 million (March 31, 2022: \$2.7 million; December 31, 2021: \$1.8 million).

In connection with the license agreement with the Japanese licensee, the Company recorded license revenues of \$36.8 million for Fiscal 2023 (Fiscal 2021: \$42.4 million; Fiscal 2020: \$40.1 million; Transition Period: \$9.9 million). As of March 31, 2023, the Company had \$7.6 million in licensing receivables outstanding, recorded in the prepaid expenses and other current assets line item within the Company's Consolidated Balance Sheets (March 31, 2022: \$8.9 million; December 31, 2021: \$17.1 million).

On March 2, 2020, as part of the Company's acquisition of Triple Pte. Ltd., the Company assumed 49.5% of common stock ownership in UA Sports (Thailand) Co., Ltd. ("UA Sports Thailand"). The Company accounts for its investment in UA Sports Thailand under the equity method, given it has the ability to exercise significant influence, but not control, over UA Sports Thailand. For Fiscal 2023, the Company recorded the allocable share of UA Sports Thailand's net income (loss) of \$0.8 million (Fiscal 2021: \$(0.6) million; Fiscal 2020: \$(1.1) million; Transition Period: \$(0.2) million) within income (loss) from equity method investment on the Consolidated Statements of Operations and as an adjustment to the invested balance within other long term assets on the Consolidated Balance Sheets. As of March 31, 2023, the carrying value of the Company's investment in UA Sports Thailand was \$5.9 million (March 31, 2022: \$5.7 million; December 31, 2021: \$5.0 million).

### **Stock-Based Compensation**

The Company accounts for stock-based compensation in accordance with ASC Topic 718 "Compensation - Stock Compensation", which requires all stock-based compensation awards granted to be measured at fair value and recognized as an expense in the financial statements over the service period. In addition, this guidance requires that excess tax benefits related to stock-based compensation awards be reflected as operating cash flows.

The Company uses the Black-Scholes option-pricing model to estimate the fair market value of stock option awards and grant date fair value for other awards. The Company uses the "simplified method" to estimate the expected life of options, as permitted by accounting guidance. The "simplified method" calculates the expected life of a stock option equal to the time from grant to the midpoint between the vesting date and contractual term, taking into account all vesting tranches. The risk free interest rate is based on the yield for the U.S. Treasury bill with a maturity equal to the expected life of the stock option. Expected volatility is based on the Company's historical average. Compensation expense is recognized net of forfeitures on a straight-line basis over the total vesting period, which is the implied requisite service period. Compensation expense for performance-based awards is recorded over the implied requisite service period when achievement of the performance target is deemed probable.

The Company issues new shares of Class A Common Stock and Class C Common Stock upon exercise of stock options, grant of restricted stock or share unit conversion. Refer to Note 14 for further details on stock-based compensation.

## **Fair Value of Financial Instruments**

The carrying amounts shown for the Company's cash and cash equivalents, accounts receivable and accounts payable approximate fair value because of the short term maturity of those instruments. As of March 31, 2023, the fair value of the Company's 3.250% Senior Notes were \$553.9 million (March 31, 2022: \$580.0 million; December 31, 2021: \$619.9 million). The fair value of the Company's 1.50% Convertible Senior Notes, was \$85.8 million as of March 31, 2023 (March 31, 2022: \$126.6 million; December 31, 2021: \$149.6 million). The fair value of the Company's other long term debt approximates its carrying value based on the variable nature of interest rates and current market rates available to the Company. The fair value of a foreign currency contract is based on the net difference between the U.S. dollars to be received or paid at the contracts' settlement date and the U.S. dollar value of the foreign currency to be sold or purchased at the current exchange rate. The fair value of an interest rate swap contract is based on the net difference between the fixed interest to be paid and variable interest to be received over the term of the contract based on current market rates.

## **Derivatives and Hedging Activities**

The Company uses derivative financial instruments in the form of foreign currency and interest rate swap contracts to minimize the risk associated with foreign currency exchange rate and interest rate fluctuations. The Company accounts for derivative financial instruments in accordance with ASC Topic 815 "Derivatives and Hedging". This guidance establishes accounting and reporting standards for derivative financial instruments and requires all derivatives to be recognized as either assets or liabilities on the balance sheet and to be measured at fair value. Unrealized derivative gain positions are recorded as other current assets or other long term assets, and unrealized derivative loss positions are recorded as other current liabilities or other long term liabilities, depending on the derivative financial instrument's maturity date.

For contracts designated as cash flow hedges, changes in fair value are reported as other comprehensive income and are recognized in current earnings in the period or periods during which the hedged transaction affects current earnings. One of the criteria for this accounting treatment is the notional value of these derivative contracts should not be in excess of specifically identified anticipated transactions. By their very nature, the Company's estimates of the anticipated transactions may fluctuate over time and may ultimately vary from actual transactions. When anticipated transaction estimates or actual transaction amounts decline below hedged levels, or if it is no longer probable a forecasted transaction will occur by the end of the originally specified time period or within an additional two-month period of time, the Company is required to reclassify the cumulative change in fair value of the over-hedged portion of the related hedge contract from Other comprehensive income (loss) to Other expense, net during the period in which the decrease occurs. The Company does not enter into derivative financial instruments for speculative or trading purposes.

## **Foreign Currency Translation and Transactions**

The functional currency for each of the Company's wholly owned foreign subsidiaries is generally the applicable local currency. In accordance with ASC Topic 830 "Foreign Currency Matters", the translation of foreign currencies into U.S. dollars is performed for assets and liabilities using current foreign currency exchange rates in effect at the balance sheet date and for revenue and expense accounts using average foreign currency exchange rates during the period. Capital accounts are translated at historical foreign currency exchange rates. Translation gains and losses are included in stockholders' equity as a component of accumulated other comprehensive income. Adjustments that arise from foreign currency exchange rate changes on transactions, primarily driven by intercompany transactions, denominated in a currency other than the functional currency are included in other expense, net on the Consolidated Statements of Operations.

## **Recently Adopted Account Pronouncements**

The Company assesses the applicability and impact of all Accounting Standard Updates ("ASUs"). There were no ASUs adopted during Fiscal 2023.

## **Recently Issued Accounting Pronouncements**

In September 2022, the Financial Accounting Standards Board ("FASB") issued ASU 2022-04 "Liabilities - Supplier Finance Programs (Subtopic 405-50)" ("ASU 2022-04") which requires entities to disclose the key terms of supplier finance programs used in connection with the purchase of goods and services along with information about their obligations under these programs, including a rollforward of those obligations. The Company adopted ASU 2022-04 on April 1, 2023 on a retrospective basis, except for the amendments relating to the rollforward requirement, which are required to be adopted on April 1, 2024 on a prospective basis. The adoption did not have a material impact on the Company's Consolidated Financial Statements and related disclosures.

**NOTE 3. ALLOWANCE FOR DOUBTFUL ACCOUNTS**

The Company's allowance for doubtful accounts was established with information available as of March 31, 2023, including reasonable and supportable estimates of future risk. The following table illustrates the activity in the Company's allowance for doubtful accounts:

	Allowance for doubtful accounts - within accounts receivable, net		Allowance for doubtful accounts - within prepaid expenses and other current assets <sup>(1)</sup>	
Balance as of December 31, 2020	\$	20,350	\$	7,029
Increases (decreases) to costs and expenses		(3,821)		—
Write-offs, net of recoveries		(9,401)		—
Balance as of December 31, 2021	\$	7,128	\$	7,029
Increases (decreases) to costs and expenses		(36)		—
Write-offs, net of recoveries		21		—
Balance as of March 31, 2022	\$	7,113	\$	7,029
Increases (decreases) to costs and expenses		5,193		—
Write-offs, net of recoveries		(1,493)		(6,802)
Balance as of March 31, 2023	\$	10,813	\$	227

<sup>(1)</sup> Includes an allowance pertaining to a royalty receivable.

**NOTE 4. PROPERTY AND EQUIPMENT, NET**

Property and equipment consisted of the following:

	As of March 31, 2023		As of March 31, 2022		As of December 31, 2021	
Leasehold and tenant improvements	\$	462,721	\$	461,394	\$	462,5
Furniture, fixtures and displays		289,539		263,749		259,5
Buildings		48,632		48,382		48,3
Software		380,586		339,722		333,5
Office equipment		132,301		132,452		132,6
Plant equipment		178,194		178,188		178,1
Land		83,626		83,626		83,6
Construction in progress <sup>(1)</sup>		143,243		64,869		52,5
Other		17,837		5,751		5,5
Subtotal property and equipment		1,736,679		1,578,133		1,556,6
Accumulated depreciation		(1,063,943)		(976,768)		(949,4
Property and equipment, net	\$	672,736	\$	601,365	\$	607,2

<sup>(1)</sup> Construction in progress primarily includes costs incurred for construction of corporate offices, software systems, leasehold improvements and in-store fixtures and displays not yet placed in use.

Depreciation expense related to property and equipment was \$135.7 million for Fiscal 2023 (Fiscal 2021: \$139.2 million; Fiscal 2020: \$154.4 million; Transition Period: \$34.5 million).

**NOTE 5. LEASES**

The Company enters into operating leases domestically and internationally to lease certain warehouse space, office facilities, space for its Brand and Factory House stores, and certain equipment under non-cancelable operating leases. The leases expire at various dates through 2035, excluding extensions at the Company's option, and include provisions for rental adjustments. Short-term lease payments were not material for Fiscal 2023, Fiscal 2021, Fiscal 2020 or the Transition Period.

### Lease Costs and Other Information

The Company recognizes lease expense on a straight-line basis over the lease term. The following table illustrates operating and variable lease costs, included in selling, general and administrative expenses within the Company's Consolidated Statements of Operations, for the periods indicated:

	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021	Year Ended December 31, 2020
Operating lease costs	\$ 148,760	\$ 36,699	\$ 142,965	\$ 147,390
Variable lease costs	\$ 14,177	\$ 3,759	\$ 16,115	\$ 9,293

There are no residual value guarantees that exist, and there are no restrictions or covenants imposed by leases. The Company rents or subleases excess office facilities and warehouse space to third parties. Sublease income is not material.

The weighted average remaining lease term and discount rate for the periods indicated below were as follows:

	As of March 31, 2023	As of March 31, 2022	As of December 31, 2021
Weighted average remaining lease term (in years)	8.03	8.69	8.73
Weighted average discount rate	4.69 %	3.72 %	3.72 %

### Supplemental Cash Flow Information

The following table presents supplemental information relating to cash flow arising from lease transactions:

	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021	Year Ended December 31, 2020
Operating cash outflows from operating leases	\$ 167,774	\$ 43,903	\$ 177,391	\$ 155,990
Leased assets obtained in exchange for new operating lease liabilities	\$ 181,080	\$ (892)	\$ 28,244	\$ 390,957

### Maturity of Lease Liabilities

The following table presents the future minimum lease payments under the Company's operating lease liabilities as of March 31, 2023:

Fiscal year ending March 31,	
2024	\$ 175,002
2025	160,326
2026	127,319
2027	107,147
2028	89,890
2029 and thereafter	355,135
<b>Total lease payments</b>	<b>\$ 1,014,819</b>
Less: Interest	168,116
<b>Total present value of lease liabilities</b>	<b>\$ 846,703</b>

As of March 31, 2023, the Company has additional operating lease obligations that have not yet commenced of approximately \$13.0 million, which are not reflected in the table above.

**NOTE 6. GOODWILL**

The following table summarizes changes in the carrying amount of the Company's goodwill by reportable segment as of the periods indicated:

	North America	EMEA	Asia-Pacific	Latin America	Total
Balance as of December 31, 2020	\$ 301,523	\$ 113,037	\$ 87,654	\$ —	\$ 502,214
Effect of currency translation adjustment	(152)	(5,296)	(1,551)	—	(6,999)
Balance as of December 31, 2021	\$ 301,371	\$ 107,741	\$ 86,103	\$ —	\$ 495,215
Effect of currency translation adjustment	—	(2,688)	(1,019)	—	(3,707)
Balance as of March 31, 2022	\$ 301,371	\$ 105,053	\$ 85,084	\$ —	\$ 491,508
Effect of currency translation adjustment	—	(3,957)	(5,559)	—	(9,516)
Balance as of March 31, 2023	\$ 301,371	\$ 101,096	\$ 79,525	\$ —	\$ 481,992

There were no goodwill impairments recorded during Fiscal 2023, Fiscal 2021 or the Transition Period.

**NOTE 7. INTANGIBLE ASSETS, NET**

The following tables summarize the Company's intangible assets as of the periods indicated:

	Useful Lives from Date of Acquisitions (in years)	As of March 31, 2023		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:				
Technology	5-7	\$ 2,536	\$ (2,503)	\$ 33
Customer relationships	2-6	8,711	(4,377)	4,334
Lease-related intangible assets	1-15	1,664	(1,542)	122
Total		\$ 12,911	\$ (8,422)	\$ 4,489
Indefinite-lived intangible assets				4,451
Intangible assets, net				\$ 8,940

	Useful Lives from Date of Acquisitions (in years)	As of March 31, 2022		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:				
Technology	5-7	\$ 2,536	\$ (2,103)	\$ 433
Customer relationships	2-6	8,552	(2,893)	5,659
Lease-related intangible assets	1-15	9,112	(8,892)	220
Other	5-10	475	(427)	48
Total		\$ 20,675	\$ (14,315)	\$ 6,360
Indefinite-lived intangible assets				4,220
Intangible assets, net				\$ 10,580

	Useful Lives from Date of Acquisitions (in years)	As of December 31, 2021		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:				
Technology	5-7	\$ 2,536	\$ (2,003)	\$ 533
Customer relationships	2-6	8,567	(2,552)	6,015
Lease-related intangible assets	1-15	8,852	(8,602)	250
Other	5-10	475	(415)	60
Total		\$ 20,430	\$ (13,572)	\$ 6,858
Indefinite-lived intangible assets				4,152
Intangible assets, net				\$ 11,010

Amortization expense, which is included in selling, general and administrative expenses, was \$1.9 million for Fiscal 2023 (Fiscal 2021: \$2.0 million; Fiscal 2020: \$7.0 million; Transition Period: \$0.5 million).

During Fiscal 2023, the Company reduced the gross carrying amount and related accumulated amortization of certain of its lease-related and other intangible assets by \$8.3 million as a result of such assets being fully amortized and no longer in use.

The following is the estimated amortization expense for the Company's intangible assets as of March 31, 2023:

Fiscal year ending March 31,	
2024	\$ 1,561
2025	1,522
2026	1,397
2027	9
2028 and thereafter	—
Total amortization expense of intangible assets	\$ 4,489

#### NOTE 8. CREDIT FACILITY AND OTHER LONG TERM DEBT

The Company's outstanding debt consisted of the following:

	As of March 31, 2023	As of March 31, 2022	As of December 31, 2021
1.50% Convertible Senior Notes due 2024	\$ 80,919	\$ 80,919	\$ 80,919
3.25% Senior Notes due 2026	600,000	600,000	600,000
Total principal payments due	680,919	680,919	680,919
Unamortized debt discount on Convertible Senior Notes <sup>(1)</sup>	—	—	(9,207)
Unamortized debt discount on Senior Notes	(814)	(1,067)	(1,131)
Unamortized debt issuance costs - Convertible Senior Notes	(267)	(677)	(779)
Unamortized debt issuance costs - Senior Notes	(1,728)	(2,266)	(2,401)
Unamortized debt issuance costs - Credit facility	(3,632)	(4,623)	(4,870)
Total amount outstanding	674,478	672,286	662,531
Less:			
<b>Current portion of long-term debt:</b>			
Credit Facility borrowings	—	—	—
<b>Non-current portion of long-term debt</b>	\$ 674,478	\$ 672,286	\$ 662,531

<sup>(1)</sup> The Company adopted ASU 2020-06, effective January 1, 2022 using the modified retrospective transition approach. As a result of this adoption, the Company derecognized the remaining unamortized debt discount on Convertible Senior Notes and recorded a cumulative effect adjustment to retained earnings.

## **Credit Facility**

On March 8, 2019, the Company entered into an amended and restated credit agreement by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders and arrangers party thereto (the "credit agreement"). In May 2020, May 2021 and December 2021, the Company entered into the first, second and third amendments to the credit agreement, respectively (the credit agreement as amended, the "amended credit agreement" or the "revolving credit facility"). The amended credit agreement provides for revolving credit commitments of \$1.1 billion and has a term that ends on December 3, 2026, with permitted extensions under certain circumstances. As of March 31, 2023, March 31, 2022 and December 31, 2021, there were no amounts outstanding under the revolving credit facility.

At the Company's request and a lender's consent, commitments under the amended credit agreement may be increased by up to \$300.0 million in aggregate, subject to certain conditions as set forth in the amended credit agreement. Incremental borrowings are uncommitted and the availability thereof will depend on market conditions at the time the Company seeks to incur such borrowings.

Borrowings, if any, under the revolving credit facility have maturities of less than one year. Up to \$50.0 million of the facility may be used for the issuance of letters of credit. As of March 31, 2023, there were \$4.4 million of letters of credit outstanding (March 31, 2022: \$4.5 million; December 31, 2021: \$4.3 million).

The obligations of the Company under the amended credit agreement are guaranteed by certain domestic significant subsidiaries of Under Armour, Inc., subject to customary exceptions (the "subsidiary guarantors") and primarily secured by a first-priority security interest in substantially all of the assets of Under Armour, Inc. and the subsidiary guarantors, excluding real property, capital stock in and debt of subsidiaries of Under Armour, Inc. holding certain real property and other customary exceptions. The amended credit agreement provides for the permanent fall away of guarantees and collateral upon the Company's achievement of investment grade rating from two rating agencies.

The amended credit agreement contains negative covenants that, subject to significant exceptions, limit the Company's ability to, among other things: incur additional secured and unsecured indebtedness; pledge the assets as security; make investments, loans, advances, guarantees and acquisitions (including investments in and loans to non-guarantor subsidiaries); undergo fundamental changes; sell assets outside the ordinary course of business; enter into transactions with affiliates; and make restricted payments.

The Company is also required to maintain a ratio of consolidated EBITDA, to consolidated interest expense of not less than 3.50 to 1.0 (the "interest coverage covenant") and the Company is not permitted to allow the ratio of consolidated total indebtedness to consolidated EBITDA to be greater than 3.25 to 1.0 (the "leverage covenant"), as described in more detail in the amended credit agreement. As of March 31, 2023, the Company was in compliance with the applicable covenants.

In addition, the amended credit agreement contains events of default that are customary for a facility of this nature, and includes a cross default provision whereby an event of default under other material indebtedness, as defined in the amended credit agreement, will be considered an event of default under the amended credit agreement.

The amended credit agreement implements SOFR as the replacement of LIBOR as a benchmark interest rate for U.S. dollar borrowings (and analogous benchmark rate replacements for borrowings in Yen, Canadian dollars, Pound Sterling and Euro). Borrowings under the amended credit agreement bear interest at a rate per annum equal to, at the Company's option, either (a) an alternate base rate (for borrowings in U.S. dollars), (b) a term rate (for borrowings in U.S. dollars, Euro, Japanese Yen or Canadian dollars) or (c) a "risk free" rate (for borrowings in U.S. dollars or Pounds Sterling), plus in each case an applicable margin. The applicable margin for loans will be adjusted by reference to a grid (the "pricing grid") based on the leverage ratio of consolidated total indebtedness to consolidated EBITDA and ranges between 1.00% to 1.75% (or, in the case of alternate base loans, 0.00% to 0.75%). The Company will also pay a commitment fee determined in accordance with the pricing grid on the average daily unused amount of the revolving credit facility and certain fees with respect to letters of credit. As of March 31, 2023, the commitment fee was 17.5 basis points.

### **1.50% Convertible Senior Notes**

In May 2020, the Company issued \$500.0 million aggregate principal amount of 1.50% convertible senior notes due 2024 (the "Convertible Senior Notes"). The Convertible Senior Notes bear interest at the fixed rate of 1.50% per annum, payable semiannually in arrears on June 1 and December 1 of each year, beginning December 1, 2020. The Convertible Senior Notes will mature on June 1, 2024, unless earlier converted in accordance with

their terms, redeemed in accordance with their terms or repurchased.

The net proceeds from the offering (including the net proceeds from the exercise of the over-allotment option) were \$488.8 million, after deducting the initial purchasers' discount and estimated offering expenses paid by the Company, of which the Company used \$47.9 million to pay the cost of the capped call transactions described below. The Company utilized \$439.9 million to repay indebtedness that was outstanding under its revolving credit facility at the time, and to pay related fees and expenses.

The Convertible Senior Notes are not secured and are not guaranteed by any of the Company's subsidiaries. The indenture governing the Convertible Senior Notes does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by the Company or any of its subsidiaries.

During Fiscal 2021, the Company entered into exchange agreements with certain holders of the Convertible Senior Notes, who agreed to exchange approximately \$419.1 million in aggregate principal amount of the Convertible Senior Notes for cash and/or shares of the Company's Class C Common Stock, plus payment for accrued and unpaid interest (the "Exchanges"). In connection with the Exchanges, the Company paid approximately \$507.0 million cash and issued approximately 18.8 million shares of the Company's Class C Common Stock to the exchanging holders. Additionally, the Company recognized losses on debt extinguishment of \$58.5 million during Fiscal 2021, within Other Income (Expense), net on the Company's Consolidated Statements of Operations. Following the Exchanges, approximately \$80.9 million aggregate principal amount of the Convertible Senior Notes remain outstanding as of March 31, 2023.

The Convertible Senior Notes are convertible into cash, shares of the Company's Class C Common Stock or a combination of cash and shares of Class C Common Stock, at the Company's election, as described further below. The initial conversion rate is 101.8589 shares of the Company's Class C Common Stock per \$1,000 principal amount of Convertible Senior Notes (equivalent to an initial conversion price of approximately \$9.82 per share of Class C Common Stock), subject to adjustment if certain events occur. Prior to the close of business on the business day immediately preceding January 1, 2024, holders may (at their option) convert their Convertible Senior Notes only upon satisfaction of one or more of the following conditions:

- during any calendar quarter commencing after the calendar quarter ended on September 30, 2020 (and only during such calendar quarter), if the last reported sale price of the Company's Class C Common Stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;
- during the five business day period after any five consecutive trading day period (the "measurement period") in which the trading price per \$1,000 principal amount of Convertible Senior Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's Class C Common Stock and the conversion rate on each such trading day;
- upon the occurrence of specified corporate events or distributions on the Company's Class C Common Stock; or
- if the Company calls any Convertible Senior Notes for redemption prior to the close of business on the business day immediately preceding January 1, 2024.

On or after January 1, 2024, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their Convertible Senior Notes at the conversion rate at any time irrespective of the foregoing conditions.

Beginning on December 6, 2022, the Company may redeem for cash all or any part of the Convertible Senior Notes, at its option, if the last reported sale price of the Company's Class C Common Stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption at a redemption price equal to 100% of the aggregate principal amount of the Convertible Senior Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

If the Company undergoes a fundamental change (as defined in the indenture governing the Convertible Senior Notes) prior to the maturity date, subject to certain conditions, holders may require the Company to repurchase for cash all or any portion of their Convertible Senior Notes in principal amounts of \$1,000 or an integral multiple thereof at a price which will be equal to 100% of the aggregate principal amount of the Convertible Senior

Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

Concurrently with the offering of the Convertible Senior Notes, the Company entered into privately negotiated capped call transactions with JPMorgan Chase Bank, National Association, HSBC Bank USA, National Association, and Citibank, N.A. (the "option counterparties"). The capped call transactions are expected generally to reduce potential dilution to the Company's Class C Common Stock upon any conversion of Convertible Senior Notes and/or offset any cash payments the Company is required to make in excess of the aggregate principal amount of converted Convertible Senior Notes upon any conversion thereof, as the case may be, with such reduction and/or offset subject to a cap based on the cap price. The cap price of the capped call transactions is initially \$13.4750 per share of the Company's Class C Common Stock, representing a premium of 75% above the last reported sale price of the Company's Class C Common Stock on May 21, 2020, and is subject to certain adjustments under the terms of the capped call transactions.

During Fiscal 2021, concurrently with the Exchanges, the Company entered into, with each of the option counterparties, termination agreements relating to a number of options corresponding to the number of Convertible Senior Notes exchanged. Pursuant to such termination agreements, each of the option counterparties paid the Company a cash settlement amount in respect of the portion of capped call transactions being terminated. The Company received approximately \$91.7 million in connection with such termination agreements related to the Exchanges.

The Convertible Senior Notes contain a cash conversion feature. Prior to the adoption of ASU 2020-06, the Company had separated it into liability and equity components. The Company valued the liability component based on its borrowing rate for a similar debt instrument that does not contain a conversion feature. The equity component, which was recognized as a debt discount, was valued as the difference between the face value of the Convertible Senior Notes and the fair value of the liability component.

The Company adopted ASU 2020-06 on January 1, 2022 using the modified retrospective method. As a result, the Convertible Senior Notes are no longer accounted for as separate liability and equity components, but rather a single liability. See Note 2 to the Condensed Consolidated Financial Statements included in Part I of the Company's Transition Report of Form 10-QT for the three months ended March 31, 2022 for more details.

### **3.250% Senior Notes**

In June 2016, the Company issued \$600.0 million aggregate principal amount of 3.250% senior unsecured notes due June 15, 2026 (the "Senior Notes"). The Senior Notes bear interest at the fixed rate of 3.250% per annum, payable semi-annually on June 15 and December 15 beginning December 15, 2016. The Company may redeem some or all of the Senior Notes at any time, or from time to time, at redemption prices described in the indenture governing the Senior Notes. The indenture governing the Senior Notes contains negative covenants that limit the Company's ability to engage in certain transactions and are subject to material exceptions described in the indenture. The Company incurred and deferred \$5.4 million in financing costs in connection with the Senior Notes.

### **Interest Expense**

Interest expense includes amortization of deferred financing costs, bank fees, capital and built-to-suit lease interest and interest expense under the credit and other long term debt facilities. Interest expense, net was \$12.8 million for Fiscal 2023 (Fiscal 2021: \$44.3 million; Fiscal 2020: \$47.3 million; Transition Period: \$6.2 million).

## Maturity of Long Term Debt

The following are the scheduled maturities of long term debt as of March 31, 2023:

Fiscal year ending March 31,	
2024	\$ —
2025	80,919
2026	—
2027	600,000
2028	—
2029 and thereafter	—
Total scheduled maturities of long term debt	\$ 680,919
Current maturities of long term debt	\$ —

The Company monitors the financial health and stability of its lenders under the credit and other long term debt facilities, however during any period of significant instability in the credit markets, lenders could be negatively impacted in their ability to perform under these facilities.

## NOTE 9. COMMITMENTS AND CONTINGENCIES

### Sports Marketing and Other Commitments

Within the normal course of business, the Company enters into contractual commitments in order to promote the Company's brand and products. These commitments include sponsorship agreements with teams and athletes on the collegiate and professional levels, official supplier agreements, athletic event sponsorships and other marketing commitments. The following is a schedule of the Company's future minimum payments under its sponsorship and other marketing agreements as of March 31, 2023:

Fiscal year ending March 31,	
2024	\$ 83,342
2025	142,396
2026	47,362
2027	23,867
2028	16,708
2029 and thereafter	98,750
Total future minimum sponsorship and other payments	\$ 412,425

The amounts listed above are the minimum compensation obligations and guaranteed royalty fees required to be paid under the Company's sponsorship and other marketing agreements. The amounts listed above do not include additional performance incentives and product supply obligations provided under the agreements. It is not possible to determine how much the Company will spend on product supply obligations on an annual basis as contracts generally do not stipulate specific cash amounts to be spent on products. The amount of product provided to the sponsorships depends on many factors including general playing conditions, the number of sporting events in which they participate and the Company's decisions regarding product and marketing initiatives. In addition, the costs to design, develop, source and purchase the products furnished to the endorsers are incurred over a period of time and are not necessarily tracked separately from similar costs incurred for products sold to customers.

### Other

In connection with various contracts and agreements, the Company has agreed to indemnify counterparties against certain third party claims relating to the infringement of intellectual property rights and other items. Generally, such indemnification obligations do not apply in situations in which the counterparties are grossly negligent, engage in willful misconduct, or act in bad faith. Based on the Company's historical experience and the estimated probability of future loss, the Company has determined that the fair value of such indemnifications is not material to its consolidated financial position or results of operations.

From time to time, the Company is involved in litigation and other proceedings, including matters related to commercial and intellectual property disputes, as well as trade, regulatory and other claims related to its business. Other than as described below, the Company believes that all current proceedings are routine in nature and incidental to the conduct of its business. However, the matters described below, if decided adversely to or settled by

the Company, could result, individually or in the aggregate, in a liability material to the Company's consolidated financial position, results of operations or cash flows.

### **In re Under Armour Securities Litigation**

On March 23, 2017, three separate securities cases previously filed against the Company in the United States District Court for the District of Maryland (the "District Court") were consolidated under the caption In re Under Armour Securities Litigation, Case No. 17-cv-00388-RDB (the "Consolidated Securities Action"). On November 6 and December 17, 2019, two additional putative securities class actions were filed in the District Court against the Company and certain of its current and former executives (captioned Patel v. Under Armour, Inc., No. 1:19-cv-03209-RDB ("Patel"), and Waronker v. Under Armour, Inc., No. 1:19-cv-03581-RDB ("Waronker"), respectively). On September 14, 2020, the District Court issued an order that, among other things, consolidated the Patel and Waronker cases into the Consolidated Securities Action.

The operative complaint (the Third Amended Complaint or the "TAC") in the Consolidated Securities Action, was filed on October 14, 2020. The TAC asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), against the Company and Mr. Plank and under Section 20A of the Exchange Act against Mr. Plank. The TAC alleges that the defendants supposedly concealed purportedly declining consumer demand for certain of the Company's products between the third quarter of 2015 and the fourth quarter of 2016 by making allegedly false and misleading statements regarding the Company's performance and future prospects and by engaging in undisclosed and allegedly improper sales and accounting practices, including shifting sales between quarterly periods allegedly to appear healthier. The TAC also alleges that the defendants purportedly failed to disclose that the Company was under investigation by and cooperating with the U.S. Department of Justice ("DOJ") and the U.S. Securities and Exchange Commission (the "SEC") since July 2017. The class period identified in the TAC is September 16, 2015 through November 1, 2019.

Discovery in the Consolidated Securities Action commenced on June 4, 2021 and is currently ongoing. On July 23, 2021, the Company and Mr. Plank filed an answer to the TAC denying all allegations of wrongdoing and asserting affirmative defenses to the claims asserted in the TAC. On December 1, 2021, the plaintiffs filed a motion seeking, among other things, certification of the class they are seeking to represent in the Consolidated Securities Action. On September 29, 2022, the court granted the plaintiffs' class certification motion.

The Company continues to believe that the claims asserted in the Consolidated Securities Action are without merit and intends to defend the lawsuit vigorously.

### **State Court Derivative Complaints**

In June and July 2018, two purported stockholder derivative complaints were filed in Maryland state court (in cases captioned Kenney v. Plank, et al. (filed June 29, 2018) and Luger v. Plank, et al. (filed July 26, 2018), respectively). The cases were consolidated on October 19, 2018 under the caption Kenney v. Plank, et. al. The consolidated complaint in the Kenney matter names Mr. Plank, certain other current and former members of the Company's Board of Directors, certain former Company executives, and Sagamore Development Company, LLC ("Sagamore") as defendants, and names the Company as a nominal defendant. The consolidated complaint asserts breach of fiduciary duty, unjust enrichment, and corporate waste claims against the individual defendants and asserts a claim against Sagamore for aiding and abetting certain of the alleged breaches of fiduciary duty. The consolidated complaint seeks damages on behalf of the Company and certain corporate governance related actions.

The consolidated complaint includes allegations challenging, among other things, the Company's disclosures related to growth and consumer demand for certain of the Company's products, as well as stock sales by certain individual defendants. The consolidated complaint also makes allegations related to the Company's 2016 purchase from entities controlled by Mr. Plank (through Sagamore) of certain parcels of land to accommodate the Company's growth needs, which was approved by the Audit Committee of the Company's Board of Directors in accordance with the Company's policy on transactions with related persons.

On March 29, 2019, the court in the consolidated Kenney action granted the Company's and the defendants' motion to stay that case pending the outcome of both the Consolidated Securities Action and an earlier-filed derivative action asserting similar claims to those asserted in the Kenney action relating to the Company's purchase of parcels in the Baltimore Peninsula, an area of Baltimore previously referred to as Port Covington (which derivative action has since been dismissed in its entirety).

Prior to the filing of the derivative complaints in Kenney v. Plank, et al. and Luger v. Plank, et al., both of the purported stockholders had sent the Company's Board of Directors a letter demanding that the Company pursue claims similar to the claims asserted in the derivative complaints. Following an investigation, a majority of

disinterested and independent directors of the Company determined that the claims should not be pursued by the Company and both of these purported stockholders were informed of that determination.

In 2020, two additional purported shareholder derivative complaints were filed in Maryland state court, in cases captioned Cordell v. Plank, et al. (filed August 11, 2020) and Salo v. Plank, et al. (filed October 21, 2020), respectively.

Prior to the filing of the derivative complaints in these two actions, neither of the purported stockholders made a demand that the Company's Board of Directors pursue the claims asserted in the complaints. In October 2021, the court issued an order (i) consolidating the Cordell and Salo actions with the consolidated Kenney action into a single consolidated derivative action (the "Consolidated State Derivative Action"); (ii) designating the Kenney action as the lead case; and (iii) specifying that the scheduling order in the Kenney action shall control the Consolidated State Derivative Action.

The Company believes that the claims asserted in the Consolidated State Derivative Action are without merit and intends to defend this matter vigorously. However, because of the inherent uncertainty as to the outcome of this proceeding, the Company is unable at this time to estimate the possible impact of the outcome of this matter.

### **Federal Court Derivative Complaints**

On January 27, 2021, the District Court entered an order consolidating for all purposes four separate stockholder derivative cases that previously had been filed in the court. On February 2, 2023, the District Court issued an order appointing Balraj Paul and Anthony Viskovich as lead plaintiffs ("Derivative Lead Plaintiffs"), appointing counsel for the Derivative Lead Plaintiffs as lead counsel, and recaptioning the consolidated case as Paul et al. v. Plank et al. (the "Federal Court Derivative Action"). Prior to their filing derivative complaints, both of the Derivative Lead Plaintiffs had sent the Company's Board of Directors a letter demanding that the Company pursue claims similar to the claims asserted in the derivative complaints. Following an investigation, a majority of disinterested and independent directors of the Company determined that the claims should not be pursued by the Company, and the Derivative Lead Plaintiffs were informed of that determination.

On March 16, 2023, the District Court issued an order granting a motion for voluntary dismissal without prejudice that had been filed by the plaintiff in one of the four derivative cases who had not been appointed as a lead plaintiff. The other three consolidated derivative cases remain pending as part of the Federal Court Derivative Action.

On April 24, 2023, the Derivative Lead Plaintiffs designated an operative complaint in the Federal Court Derivative Action. The operative complaint names Mr. Plank, certain other current and former members of the Company's Board of Directors and certain former Company executives as defendants, and names the Company as a nominal defendant. It asserts allegations similar to those in the TAC filed in the Consolidated Securities Action matter discussed above, including allegations challenging (i) the Company's disclosures related to growth and consumer demand for certain of the Company's products; (ii) the Company's practice of shifting sales between quarterly periods supposedly to appear healthier and its purported failure to disclose that practice; (iii) the Company's internal controls with respect to revenue recognition and inventory management; and (iv) the Company's supposed failure to timely disclose investigations by the SEC and DOJ. The operative complaint asserts breach of fiduciary duty and unjust enrichment claims against the defendants, and asserts a contribution claim under the federal securities laws against certain defendants. It seeks damages on behalf of the Company and certain corporate governance related actions. The deadline for the Company and the defendants to respond to the operative complaint is June 23, 2023.

The Company believes that the claims asserted in the Federal Court Derivative Action are without merit and intends to defend this matter vigorously. However, because of the inherent uncertainty as to the outcome of this proceeding, the Company is unable at this time to estimate the possible impact of the outcome of this matter.

### **Contingencies**

In accordance with Accounting Standards Codification ("ASC") Topic 450 "Contingencies" ("Topic 450"), the Company establishes accruals for contingencies when (i) the Company believes it is probable that a loss will be incurred and (ii) the amount of the loss can be reasonably estimated. If the reasonable estimate is a range, the Company will accrue the best estimate in that range; where no best estimate can be determined, the Company will accrue the minimum. As of March 31, 2023, the Company has estimated its liability and recorded \$20 million in respect of certain ongoing legal proceedings summarized above. The timing of the resolution is unknown and the amount of loss ultimately incurred in connection with these matters may be substantially higher or lower than the amount accrued for these matters, and the Company expects a portion of the loss, if any is incurred, to be covered

by the Company's insurance. Legal proceedings for which no accrual has been established are disclosed to the extent required by ASC 450.

In addition, in connection with the matters described above and previously disclosed government investigations, the Company provided notice of claims under multiple director and officer liability insurance policy periods. With respect to one policy period, a lawsuit was filed against the Company by certain of its insurance carriers seeking a declaration that no further amounts will be payable with respect to that policy period and with respect to one carrier, reimbursement for \$10 million in defense and investigation costs previously paid to the Company. On April 26, 2023, the Company and one of its insurance carriers resolved the dispute related to that carrier's claims for a declaration that no further amounts would be payable and seeking reimbursement of previously paid amounts. The resolution resulted in no reimbursement payable by the Company. The other carriers remaining in the case continue to seek a declaration that no further amounts will be payable with respect to that policy period. The timing of the resolution is unknown for the remaining claims in this matter.

From time to time, the Company's view regarding probability of loss with respect to outstanding legal proceedings will change, proceedings for which the Company is able to estimate a loss or range of loss will change, and the estimates themselves will change. In addition, while many matters presented in financial disclosures involve significant judgment and may be subject to significant uncertainties, estimates with respect to legal proceedings are subject to particular uncertainties. Other than as described above, the Company believes that all current proceedings are routine in nature and incidental to the conduct of its business. However, the matters described above, if decided adversely to or settled by the Company, could result, individually or in the aggregate, in a liability material to the Company's consolidated financial position, results of operations or cash flows.

#### **NOTE 10. STOCKHOLDERS' EQUITY**

The Company's Class A Common Stock and Class B Convertible Common Stock have an authorized number of 400.0 million shares and 34.45 million shares, respectively, and each have a par value of \$0.0003 1/3 per share as of March 31, 2023. Holders of Class A Common Stock and Class B Convertible Common Stock have identical rights, including liquidation preferences, except that the holders of Class A Common Stock are entitled to one vote per share and holders of Class B Convertible Common Stock are entitled to 10 votes per share on all matters submitted to a stockholder vote. Class B Convertible Common Stock may only be held by Kevin Plank, the Company's founder, Executive Chair and Brand Chief, or a related party of Mr. Plank, as defined in the Company's charter. As a result, Mr. Plank has a majority voting control over the Company. Upon the transfer of shares of Class B Convertible Stock to a person other than Mr. Plank or a related party of Mr. Plank, the shares automatically convert into shares of Class A Common Stock on a one-for-one basis. In addition, all of the outstanding shares of Class B Convertible Common Stock will automatically convert into shares of Class A Common Stock on a one-for-one basis upon the death or disability of Mr. Plank or on the record date for any stockholders' meeting upon which the shares of Class A Common Stock and Class B Convertible Common Stock beneficially owned by Mr. Plank is less than 15% of the total shares of Class A Common Stock and Class B Convertible Common Stock outstanding or upon the other events specified in the Class C Articles Supplementary to the Company's charter as documented below. Holders of the Company's common stock are entitled to receive dividends when and if authorized and declared out of assets legally available for the payment of dividends.

The Company's Class C Common Stock has an authorized number of 400.0 million shares and has a par value of \$0.0003 1/3 per share as of March 31, 2023. The terms of the Class C Common Stock are substantially identical to those of the Company's Class A Common Stock, except that the Class C Common Stock has no voting rights (except in limited circumstances), will automatically convert into Class A Common Stock under certain circumstances and includes provisions intended to ensure equal treatment of Class C Common Stock and Class B Common Stock in certain corporate transactions, such as mergers, consolidations, statutory share exchanges, conversions or negotiated tender offers, and including consideration incidental to these transactions.

#### **Share Repurchase Program**

On February 23, 2022, the Company's Board of Directors authorized the Company to repurchase up to \$500 million (exclusive of fees and commissions) of outstanding shares of the Company's Class C Common Stock over the next two years. The Class C Common Stock may be repurchased from time to time at prevailing prices in the open market, through plans designed to comply with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, via private purchases through forward, derivative, accelerated share repurchase transactions or otherwise, subject to applicable regulatory restrictions on volume, pricing and timing. The timing and amount of any repurchases will depend on market conditions, the Company's financial condition, results of operations, liquidity and other factors.

Pursuant to the previously disclosed accelerated share repurchase transactions that the Company entered into in February 2022, May 2022, August 2022 and November 2022 (the "ASR Agreements"), the Company repurchased 18.7 million and 16.2 million shares of Class C Common Stock, which were immediately retired, during Fiscal 2023 and the Transition Period, respectively. As a result, \$174.0 million was recorded to retained earnings to reflect the difference between the market price of the Class C Common Stock repurchased and its par value during Fiscal 2023 (Transition Period: \$240.0 million).

As of the date of this Annual Report on Form 10-K, the Company has repurchased a total of \$425 million or 34.9 million outstanding shares of its Class C Common Stock under its share repurchase program.

## NOTE 11. REVENUES

The following tables summarize the Company's net revenues by product category and distribution channels:

	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021	Year Ended December 31, 2020
Apparel	\$ 3,871,638	\$ 876,604	\$ 3,841,249	\$ 2,882,562
Footwear	1,455,265	296,696	1,264,127	934,333
Accessories	408,521	96,803	461,894	414,082
<i>Net Sales</i>	5,735,424	1,270,103	5,567,270	4,230,977
License revenues	116,746	26,602	112,623	105,779
Corporate Other	51,466	4,240	3,573	137,911
<i>Total net revenues</i>	\$ 5,903,636	\$ 1,300,945	\$ 5,683,466	\$ 4,474,667

	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021	Year Ended December 31, 2020
Wholesale	\$ 3,468,126	\$ 829,179	\$ 3,245,749	\$ 2,383,353
Direct-to-consumer	2,267,298	440,924	2,321,521	1,847,624
<i>Net Sales</i>	5,735,424	1,270,103	5,567,270	4,230,977
License revenues	116,746	26,602	112,623	105,779
Corporate Other	51,466	4,240	3,573	137,911
<i>Total net revenues</i>	\$ 5,903,636	\$ 1,300,945	\$ 5,683,466	\$ 4,474,667

The Company records reductions to revenue for estimated customer returns, allowances, markdowns and discounts. These reserves are included within customer refund liability and the value of the inventory associated with reserves for sales returns are included within prepaid expenses and other current assets on the Consolidated Balance Sheets. The following table presents the customer refund liability, as well as the associated value of inventory for the periods indicated:

	As of March 31, 2023	As of March 31, 2022	As of December 31, 2021
Customer refund liability	\$ 160,533	\$ 159,628	\$ 164,294
Inventory associated with reserves for sales returns	\$ 40,661	\$ 44,291	\$ 47,569

## Contract Liabilities

Contract liabilities are recorded when a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional, before the transfer of a good or service to the customer, and thus represent the Company's obligation to transfer the good or service to the customer at a future date. The Company's contract liabilities primarily consist of payments received in advance of revenue recognition for subscriptions for the Company's digital fitness applications and royalty arrangements which are in other current and other long-term liabilities, and gift cards, included in accrued expenses on the Company's Consolidated Balance Sheets. As of March 31, 2023, contract liabilities were \$25.9 million (March 31, 2022: \$35.3 million; December 31, 2021: \$39.1 million).

During Fiscal 2023, the Company completed an assessment of its process for estimating revenue recognized for gift card balances not expected to be redeemed (“breakage”). Based on the assessment, which included analyzing historical gift card redemption data, the Company has determined that substantially all of its gift cards are redeemed within 24 months of issuance, and after 24 months the likelihood of a gift card being redeemed is remote. Therefore, to the extent that it does not have a legal obligation to remit the value of such unredeemed gift cards to the relevant jurisdiction as unclaimed or abandoned property, the Company recognizes gift card breakage at that time when the likelihood of the gift card being redeemed is remote, which the Company has determined to be 24 months following its issuance. As a result, the Company recognized approximately \$10.1 million of revenue during Fiscal 2023, that was previously included in contract liabilities, which benefited net income by \$10.1 million, or \$0.02 per share of Class A, B and C Common Stock.

For Fiscal 2023, including the breakage discussed above, the Company recognized approximately \$19.3 million, of revenue that was previously included in contract liabilities as of March 31, 2022. For Fiscal 2021, the Company recognized approximately \$21.5 million of revenue that was previously included in contract liabilities as of December 31, 2020. For the Transition Period, the Company recognized \$5.0 million of revenue that was previously included in contract liabilities as of December 31, 2021. The change in the contract liabilities balance primarily results from the timing differences between the Company’s satisfaction of performance obligations and the customer’s payment, and with respect to Fiscal 2023, the breakage discussed above.

**NOTE 12. RESTRUCTURING AND RELATED IMPAIRMENT CHARGES**

During Fiscal 2020, the Company’s Board of Directors approved a restructuring plan ranging between \$550 million to \$600 million in costs (the “2020 restructuring plan”) designed to rebalance the Company’s cost base to further improve profitability and cash flow generation. The Company concluded the 2020 restructuring plan during the Transition Period.

Restructuring and related impairment charges and recoveries require the Company to make certain judgments and estimates regarding the amount and timing as to when these charges or recoveries occur. The estimated liability could change subsequent to its recognition, requiring adjustments to the expense and the liability recorded. On a quarterly basis, the Company conducts an evaluation of the related liabilities and expenses and revises its assumptions and estimates as appropriate, as new or updated information becomes available. No adjustments to expense were recorded during Fiscal 2023.

All restructuring and related impairment charges are included in the Company’s Corporate Other segment. A summary of the activity in the restructuring reserve related to the Company’s 2020 restructuring plan, as well as prior restructuring plans in 2018 and 2017 are as follows:

	Employee Related Costs	Contract Exit Costs	Other Restructuring Related Costs
Balance as of December 31, 2020	\$ 12,868	\$ 61,642	\$
Net additions (recoveries) charged to expense	(1,655)	17,814	
Cash payments	(5,473)	(47,486)	
Foreign exchange and other	(2,192)	(565)	
Balance as of December 31, 2021	\$ 3,548	\$ 31,405	\$
Net additions (recoveries) charged to expense	(10)	58,555	
Cash payments	(955)	(9,280)	
Foreign exchange and other	89	(2,443)	
Balance as of March 31, 2022	\$ 2,672	\$ 78,237	\$
Net additions (recoveries) charged to expense	—	—	
Cash payments	(1,057)	(76,287)	
Foreign exchange and other	(659)	(1,832)	
Balance as of March 31, 2023	\$ 956	\$ 118	\$

### **NOTE 13. OTHER EMPLOYEE BENEFITS**

The Company offers a 401(k) Deferred Compensation Plan for the benefit of eligible employees. Employee contributions are voluntary and subject to Internal Revenue Service limitations. The Company matches a portion of the participant's contribution and recorded expense for Fiscal 2023 of \$11.6 million (Fiscal 2021: \$8.9 million; Fiscal 2020: \$5.4 million; Transition Period: \$6.1 million)

In addition, the Company offers the Under Armour, Inc. Deferred Compensation Plan which allows a select group of management or highly compensated employees, as approved by the Human Capital and Compensation Committee of the Board of Directors, to make an annual base salary and/or bonus deferral for each year. As of March 31, 2023, the Deferred Compensation Plan obligations were \$14.1 million (March 31, 2022: \$14.2 million; December 31, 2021: \$14.5 million) and were included in other long term liabilities on the Consolidated Balance Sheets.

The Company established a Rabbi Trust to fund obligations to participants in the Deferred Compensation Plan. As of March 31, 2023, the assets held in the Rabbi Trust were trust owned life insurance ("TOLI") policies with cash-surrender values of \$7.7 million (March 31, 2022: \$8.4 million; December 31, 2021: \$9.0 million). These assets are consolidated and are included in other long term assets on the Consolidated Balance Sheets. Refer to Note 15 for a discussion of the fair value measurements of the assets held in the Rabbi Trust and the Deferred Compensation Plan obligations.

### **NOTE 14. STOCK BASED COMPENSATION**

The Under Armour, Inc. Third Amended and Restated 2005 Omnibus Long-Term Incentive Plan as amended (the "2005 Plan") provides for the issuance of stock options, restricted stock, restricted stock units and other equity awards to officers, directors, key employees and other persons. The 2005 Plan terminates in 2029. As of March 31, 2023, 8.3 million Class A shares and 23.9 million Class C shares are available for future grants of awards under the 2005 Plan.

#### **Awards Granted to Employees and Non-Employee Directors**

Total stock-based compensation expense associated with awards granted to employees and non-employee directors for Fiscal 2023 was \$36.8 million (Fiscal 2021: \$43.8 million; Fiscal 2020: \$42.1 million; Transition Period: \$11.8 million). The related tax benefits, excluding consideration of valuation allowances, were \$6.3 million for Fiscal 2023 (Fiscal 2021: \$8.2 million; Fiscal 2020: \$9.0 million; Transition Period: \$2.0 million). The valuation allowances associated with these benefits were \$1.2 million for Fiscal 2023 (Fiscal 2021: \$7.2 million; Fiscal 2020: \$9.0 million; Transition Period: \$1.0 million) As of March 31, 2023, the Company had \$70.4 million of unrecognized compensation expense related to these awards expected to be recognized over a weighted average period of 2.06 years. Refer to "Stock Options" and "Restricted Stock and Restricted Stock Unit Awards" below for further information on these awards.

A summary of each of these plans is as follows:

#### *Employee Stock Compensation Plan*

Stock options, restricted stock and restricted stock unit awards under the 2005 Plan generally vest ratably over a period of two to five years. The contractual term for stock options is generally 10 years from the date of grant. The Company generally receives a tax deduction for any ordinary income recognized by a participant in respect to an award under the 2005 Plan.

#### *Non-Employee Director Compensation Plan*

The Company's Non-Employee Director Compensation Plan (the "Director Compensation Plan") provides for cash compensation and equity awards to non-employee directors of the Company under the 2005 Plan. Non-employee directors have the option to defer the value of their annual cash retainers as deferred stock units in accordance with the Under Armour, Inc. Non-Employee Deferred Stock Unit Plan (the "DSU Plan"). Each new non-employee director receives an award of restricted stock units upon the initial election to the Board of Directors, with the units covering stock valued at \$100 thousand on the grant date and vesting in three equal annual installments. In addition, each non-employee director receives, following each annual stockholders' meeting, a grant under the 2005 Plan of restricted stock units covering stock valued at \$150 thousand on the grant date. However, in May 2022, following the 2022 annual stockholders' meeting, each non-employee director received a grant under the 2005 plan of restricted stock units covering stock valued at \$187.5 thousand to account for the Company's change in fiscal year. Each award vests 100% on the date of the next annual stockholders' meeting following the grant date.

The receipt of the shares otherwise deliverable upon vesting of the restricted stock units automatically defers into deferred stock units under the DSU Plan. Under the DSU Plan each deferred stock unit represents the Company's obligation to issue one share of the Company's Class A or Class C Common Stock with the shares delivered six months following the termination of the director's service. The Company had 0.8 million deferred stock units outstanding as of March 31, 2023.

*Employee Stock Purchase Plan*

The Company's Employee Stock Purchase Plan (the "ESPP") allows for the purchase of Class A Common Stock and Class C Common Stock by all eligible employees at a 15% discount from fair market value subject to certain limits as defined in the ESPP. As of March 31, 2023, 2.7 million Class A shares and 1.1 million Class C shares are available for future purchases under the ESPP. During Fiscal 2023, 536.0 thousand Class C shares were purchased under the ESPP (Fiscal 2021: 234.7 thousand; Fiscal 2020: 482.9 thousand; Transition Period: 69.8 thousand).

**Awards granted to Marketing Partners**

In addition to the plans discussed above, the Company may also, from time to time, issue deferred stock units or restricted stock units to certain of our marketing partners in connection with their entering into endorsement and other marketing services agreements with us. The terms of each agreement set forth the number of units to be granted and the delivery dates for the shares, which range over a multi-year period, depending on the contract.

Total stock-based compensation expense related to these awards for Fiscal 2023 was \$3.3 million (Fiscal 2021: \$3.5 million; Fiscal 2020: \$3.5 million; Transition Period: \$0.8 million). As of March 31, 2023, we had \$4.3 million of unrecognized compensation expense associated with these awards expected to be recognized over a weighted average period of 1.68 years.

As previously disclosed, on April 3, 2023, subsequent to the fiscal year end, the Company issued an award of restricted stock units for 8.8 million shares of the Company's Class C common stock to an entity affiliated with professional basketball player Stephen Curry. The award was issued in connection with Mr. Curry's entry into a stock unit agreement and an Under Armour, Inc. Athlete Product, Brand, Ambassador, and Endorsement Agreement with the Company, pursuant to which Mr. Curry is continuing his relationship with the Company.

**Summary by Award Classification:**

*Stock Options*

No stock options were granted during Fiscal 2023, Fiscal 2021 or the Transition Period. The weighted average fair value of stock options granted in Fiscal 2020 was \$6.61. The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions:

	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021	Year Ended December 31, 2020
Risk-free interest rate	n/a	n/a	n/a	1.5 %
Average expected life in years	n/a	n/a	n/a	6.25
Expected volatility	n/a	n/a	n/a	43.1 %
Expected dividend yield	n/a	n/a	n/a	— %

A summary of the Company's stock options activity for the year ended March 31, 2023 is presented below:

	Number of Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Total Intrinsic Value
Outstanding at March 31, 2022	1,578	\$ 19.44	5.82	\$ 217
Granted, at fair market value	—	—	—	—
Exercised	—	—	—	—
Forfeited	—	—	—	—
Outstanding at March 31, 2023	1,578	\$ 19.44	4.82	\$ —
Options exercisable at March 31, 2023	1,503	\$ 19.66	4.72	\$ —

No stock options were exercised during Fiscal 2023 or the Transition Period. For Fiscal 2021 and Fiscal 2020, the intrinsic value of stock options exercised was \$0.2 million and \$4.5 million, respectively. The income tax benefits related to stock options exercised, excluding consideration of valuation allowances were \$0.0 million and \$1.2 million for Fiscal 2021 and Fiscal 2020, respectively.

*Restricted Stock and Restricted Stock Unit Awards*

A summary of the Company's restricted stock and restricted stock unit awards activity for the year ended March 31, 2023 is presented below:

	Number of Restricted Shares	Weighted Average Grant Date Fair Value
Outstanding at March 31, 2022	7,807	\$ 16.57
Granted	3,759	8.75
Forfeited	(2,002)	14.88
Vested	(1,906)	17.53
Outstanding at March 31, 2023	7,658	\$ 13.01

The awards outstanding at March 31, 2023 in the table above includes 1.1 million performance-based restricted stock units that were awarded to certain executives and key employees during Fiscal 2023 under the 2005 Plan. The performance-based restricted stock units awarded have a weighted average fair value of \$9.13 and have vesting that is tied to the achievement of certain combined annual revenue and operating income targets. The Company deemed the achievement of certain of these targets probable and recorded \$1.4 million of stock-based compensation expense related to these awards during Fiscal 2023. The Company assesses the probability of the achievement of the remaining revenue and operating income targets at the end of each reporting period and based on that assessment cumulative adjustments may be recorded in future periods.

**NOTE 15. FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received to sell an asset or the exit price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value accounting guidance outlines a valuation framework, creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures, and prioritizes the inputs used in measuring fair value as follows:

- Level 1: Observable inputs such as quoted prices in active markets;
- Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

*Financial assets and liabilities measured at fair value on a recurring basis*

The Company's financial assets (liabilities) measured at fair value on a recurring basis consisted of the following types of instruments as of the following periods:

	March 31, 2023			March 31, 2022			December 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Derivative foreign currency contracts (see Note 16)	\$ —	\$ (3,127)	\$ —	\$ —	\$ 988	\$ —	\$ —	\$ 631	\$ —
TOLI policies held by the Rabbi Trust (see Note 13)	\$ —	\$ 7,691	\$ —	\$ —	\$ 8,379	\$ —	\$ —	\$ 9,008	\$ —
Deferred Compensation Plan obligations (see Note 13)	\$ —	\$ (14,082)	\$ —	\$ —	\$ (14,230)	\$ —	\$ —	\$ (14,489)	\$ —

Fair values of the financial assets and liabilities listed above are determined using inputs that use as their basis readily observable market data that are actively quoted and are validated through external sources, including third-party pricing services and brokers. The foreign currency contracts represent unrealized gains and losses on derivative contracts, which is the net difference between the U.S. dollar value to be received or paid at the contracts' settlement date and the U.S. dollar value of the foreign currency to be sold or purchased at the current market exchange rate. The fair value of the TOLI policies held by the Rabbi Trust are based on the cash-surrender value of the life insurance policies, which are invested primarily in mutual funds and a separately managed fixed income fund. These investments are initially made in the same funds and purchased in substantially the same amounts as the selected investments of participants in the Under Armour, Inc. Deferred Compensation Plan (the "Deferred Compensation Plan"), which represent the underlying liabilities to participants in the Deferred Compensation Plan. Liabilities under the Deferred Compensation Plan are recorded at amounts due to participants, based on the fair value of participants' selected investments.

The fair value of long term debt is estimated based upon quoted prices for similar instruments or quoted prices for identical instruments in inactive markets (Level 2).

As of March 31, 2023, the fair value of the Convertible Senior Notes was \$85.8 million (March 31, 2022: \$126.6 million; December 31, 2021: \$149.6 million).

As of March 31, 2023, the fair value of the Senior Notes was \$553.9 million (March 31, 2022: \$580.0 million; December 31, 2021: \$619.9 million).

*Assets and liabilities measured at fair value on a non-recurring basis*

Certain assets are not remeasured to fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances. These assets can include long-lived assets and goodwill that have been reduced to fair value when impaired. Assets that are written down to fair value when impaired are not subsequently adjusted to fair value unless further impairment occurs.

**NOTE 16. RISK MANAGEMENT AND DERIVATIVES**

The Company is exposed to global market risks, including the effects of changes in foreign currency and interest rates. The Company uses derivative instruments to manage financial exposures that occur in the normal course of business and does not hold or issue derivatives for trading or speculative purposes.

The Company may elect to designate certain derivatives as hedging instruments under U.S. GAAP. The Company formally documents all relationships between designated hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking hedge transactions. This process includes linking all derivatives designated as hedges to forecasted cash flows and assessing, both at inception and on an ongoing basis, the effectiveness of the hedging relationships.

The Company's foreign exchange risk management program consists of designated cash flow hedges and undesignated hedges. As of March 31, 2023, the Company has hedge instruments primarily for:

- British Pound/U.S. Dollar;
- U.S. Dollar/Chinese Renminbi;
- Euro/U.S. Dollar;

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- U.S. Dollar/Canadian Dollar;
- U.S. Dollar/Mexican Peso; and
- U.S. Dollar/Korean Won.

All derivatives are recognized on the Consolidated Balance Sheets at fair value and classified based on the instrument's maturity date.

The following table presents the fair values of derivative instruments within the Consolidated Balance Sheets. Refer to Note 15 of the Consolidated Financial Statements for a discussion of the fair value measurements.

	Balance Sheet Classification	March 31, 2023	March 31, 2022	December 31, 2021
<b>Derivatives designated as hedging instruments under ASC 815</b>				
Foreign currency contracts	Other current assets	\$ 22,473	\$ 11,561	\$
Foreign currency contracts	Other long term assets	619	2,730	
Total derivative assets designated as hedging instruments		\$ 23,092	\$ 14,291	\$ 1
<b>Derivatives not designated as hedging instruments under ASC 815</b>				
Foreign currency contracts	Other current liabilities	\$ 21,622	\$ 11,209	\$
Foreign currency contracts	Other long term liabilities	5,769	3,645	
Total derivative liabilities designated as hedging instruments		\$ 27,391	\$ 14,854	\$
<b>Derivatives not designated as hedging instruments under ASC 815</b>				
Foreign currency contracts	Other current assets	\$ 3,408	\$ 4,412	\$
Total derivative assets not designated as hedging instruments		\$ 3,408	\$ 4,412	\$
Foreign currency contracts	Other current liabilities	\$ 6,563	\$ 1,213	\$
Foreign currency contracts	Other long term liabilities	4	—	\$
Total derivative liabilities not designated as hedging instruments		\$ 6,567	\$ 1,213	\$

The following table presents the amounts in the Consolidated Statements of Operations in which the effects of cash flow hedges are recorded and the effects of cash flow hedge activity on these line items:

	Year Ended March 31, 2023		Three Months Ended March 31, 2022 (Transition Period)		Year Ended December 31, 2021		Year Ended December 31, 2020	
	Total	Amount of Gain (Loss) on Cash Flow Hedge Activity	Total	Amount of Gain (Loss) on Cash Flow Hedge Activity	Total	Amount of Gain (Loss) on Cash Flow Hedge Activity	Total	Amount of Gain (Loss) on Cash Flow Hedge Activity
Net revenues	\$ 5,903,636	\$ 44,492	\$ 1,300,945	\$ 2,049	\$ 5,683,466	\$ (6,410)	\$ 4,474,667	\$ 2,098
Cost of goods sold	\$ 3,254,296	\$ 2,016	\$ 695,781	\$ (2,903)	\$ 2,821,967	\$ (11,825)	\$ 2,314,572	\$ 9,516
Interest income (expense), net	\$ (12,826)	\$ (37)	\$ (6,154)	\$ (9)	\$ (44,300)	\$ (37)	\$ (47,259)	\$ (36)
Other income (expense), net	\$ 16,780	\$ —	\$ (51)	\$ —	\$ (51,113)	\$ —	\$ 168,153	\$ 25

The following tables present the amounts affecting the Consolidated Statements of Comprehensive Income (Loss):

	Balance as of March 31, 2022	Amount of gain (loss) recognized in other comprehensive income (loss) on derivatives	Amount of gain (loss) reclassified from other comprehensive income (loss) into income	Balance as of March 31, 2023
<b>Derivatives designated as cash flow hedges</b>				
Foreign currency contracts	\$ 41	\$ 41,703	\$ 46,508	\$ (4,764)
Interest rate swaps	(495)	—	(37)	(458)
Total designated as cash flow hedges	\$ (454)	\$ 41,703	\$ 46,471	\$ (5,222)

	Balance as of December 31, 2021	Amount of gain (loss) recognized in other comprehensive income (loss) on derivatives	Amount of gain (loss) reclassified from other comprehensive income (loss) into income	Balance as of March 31, 2022
<b>Derivatives designated as cash flow hedges</b>				
Foreign currency contracts	\$ (1,617)	\$ 804	\$ (854)	\$ 4
Interest rate swaps	(504)	—	(9)	(49)
Total designated as cash flow hedges	\$ (2,121)	\$ 804	\$ (863)	\$ (45)

	Balance as of December 31, 2020	Amount of gain (loss) recognized in other comprehensive income (loss) on derivatives	Amount of gain (loss) reclassified from other comprehensive income (loss) into income	Balance as of December 31, 2021
<b>Derivatives designated as cash flow hedges</b>				
Foreign currency contracts	\$ (25,908)	\$ 6,056	\$ (18,235)	\$ (1,617)
Interest rate swaps	(541)	—	(37)	(504)
Total designated as cash flow hedges	\$ (26,449)	\$ 6,056	\$ (18,272)	\$ (2,121)

	Balance as of December 31, 2019	Amount of gain (loss) recognized in other comprehensive income (loss) on derivatives	Amount of gain (loss) reclassified from other comprehensive income (loss) into income	Balance as of December 31, 2020
<b>Derivatives designated as cash flow hedges</b>				
Foreign currency contracts	\$ (6,005)	\$ (8,336)	\$ 11,567	\$ (25,908)
Interest rate swaps	(577)	—	(36)	(541)
Total designated as cash flow hedges	\$ (6,582)	\$ (8,336)	\$ 11,531	\$ (26,449)

The following table presents the amounts in the Consolidated Statements of Operations in which the effects of undesignated derivative instruments are recorded and the effects of fair value hedge activity on these line items:

	Year Ended March 31, 2023		Three Months Ended March 31, 2022 (Transition Period)		Year Ended December 31, 2021		Year Ended December 31, 2020	
	Total	Amount of Gain (Loss) on Fair Value Hedge Activity	Total	Amount of Gain (Loss) on Fair Value Hedge Activity	Total	Amount of Gain (Loss) on Fair Value Hedge Activity	Total	Amount of Gain (Loss) on Fair Value Hedge Activity
Other income (expense), net	\$ 16,780	\$ (7,200)	\$ (51)	\$ 4,481	\$ (51,113)	\$ (8,502)	\$ 168,153	\$ (2,173)

## Cash Flow Hedges

The Company is exposed to gains and losses resulting from fluctuations in foreign currency exchange rates relating to transactions generated by its international subsidiaries in currencies other than their local currencies. These gains and losses are driven by non-functional currency generated revenue, non-functional currency inventory purchases, investments in U.S. Dollar denominated available-for-sale debt securities, and certain other intercompany transactions. The Company enters into foreign currency contracts to reduce the risk associated with the foreign currency exchange rate fluctuations on these transactions. Certain contracts are designated as cash flow hedges. As of March 31, 2023, the aggregate notional value of the Company's outstanding cash flow hedges was \$799.7 million (as March 31, 2022: \$1,096.5 million; December 31, 2021: \$556.5 million) of which contract maturities ranging from one to twenty-four months.

The Company may enter into long term debt arrangements with various lenders which bear a range of fixed and variable rates of interest. The nature and amount of the Company's long term debt can be expected to vary as a result of future business requirements, market conditions and other factors. The Company may elect to enter into interest rate swap contracts to reduce the impact associated with interest rate fluctuations. The interest rate swap contracts are accounted for as cash flow hedges. Refer to Note 8 of the Consolidated Financial Statements for a discussion of long term debt.

For contracts designated as cash flow hedges, the changes in fair value are reported as other comprehensive income (loss) and are recognized in current earnings in the period or periods during which the hedged transaction affects current earnings. Effective hedge results are classified in the Consolidated Statements of Operations in the same manner as the underlying exposure.

In March 2023, the Company unwound and de-designated certain derivative instruments previously designated as cash flow hedges. The pre-tax gain of \$2.3 million, which had been recorded in other comprehensive income prior to the de-designation of the derivative instruments, was recognized in earnings during the period.

## Undesignated Derivative Instruments

The Company has entered into foreign exchange forward contracts to mitigate the change in fair value of specific assets and liabilities on the Consolidated Balance Sheets. Undesignated instruments are recorded at fair value as a derivative asset or liability on the Consolidated Balance Sheets with their corresponding change in fair value recognized in other expense, net, together with the re-measurement gain or loss from the hedged balance sheet position. As of March 31, 2023, the total notional value of the Company's outstanding undesignated derivative instruments was \$396.7 million (March 31, 2022: \$228.4 million; December 31, 2021: \$258.2 million).

## Credit Risk

The Company enters into derivative contracts with major financial institutions with investment grade credit ratings and is exposed to credit losses in the event of non-performance by these financial institutions. This credit risk is generally limited to the unrealized gains in the derivative contracts. However, the Company monitors the credit quality of these financial institutions and considers the risk of counterparty default to be minimal.

## NOTE 17. PROVISION FOR INCOME TAXES

Income (loss) before income taxes is as follows:

<i>(In thousands)</i>	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021	Year Ended December 31, 2020
Income (loss) before income taxes				
United States	\$ 27,650	\$ (88,789)	\$ 191,201	\$ (478,465)
Foreign	260,115	36,628	199,676	(14,079)
Total	<u>\$ 287,765</u>	<u>\$ (52,161)</u>	<u>\$ 390,877</u>	<u>\$ (492,544)</u>

The components of the income tax expense (benefit) consisted of the following:

(In thousands)	Year Ended March 31, 2023		Three Months Ended March 31, 2022 (Transition Period)		Year Ended December 31, 2021		Year Ended December 31, 2020	
<b>Current</b>								
Federal	\$	18,483	\$	331	\$	(2,454)	\$	(30,047)
State		3,771		99		864		34
Foreign		29,103		10,251		36,304		16,720
		<u>51,357</u>		<u>10,681</u>		<u>34,714</u>		<u>(13,293)</u>
<b>Deferred</b>								
Federal		(159,277)		159		5,148		50,620
State		215		(4)		(3,645)		587
Foreign		6,659		(2,655)		(4,145)		11,473
		<u>(152,403)</u>		<u>(2,500)</u>		<u>(2,642)</u>		<u>62,680</u>
Income tax expense (benefit)	\$	<u>(101,046)</u>	\$	<u>8,181</u>	\$	<u>32,072</u>	\$	<u>49,387</u>

A reconciliation from the U.S. statutory federal income tax rate to the effective income tax rate is as follows:

	Year Ended March 31, 2023		Three Months Ended March 31, 2022 (Transition Period)		Year Ended December 31, 2021		Year Ended December 31, 2020					
U.S. federal statutory income tax rate	\$	60,431	21.0 %	\$	(10,954)	21.0 %	\$	82,086	21.0 %	\$	(103,434)	21.0 %
State taxes, net of federal tax impact		8,800	3.0 %		(5,314)	10.2 %		23,508	6.0 %		(29,341)	6.0 %
Effect of foreign earnings		(2,019)	(0.7)%		(361)	0.7 %		(10,697)	(2.7)%		(762)	0.2 %
Permanent tax benefits/nondeductible expenses		(9,330)	(3.2)%		(900)	1.7 %		(12,343)	(3.2)%		15,993	(3.2)%
Permanent tax benefits/nondeductible losses - divestitures		—	— %		(552)	1.1 %		7,317	1.9 %		(118,321)	24.0 %
Unrecognized tax benefits		11,560	4.0 %		750	(1.4)%		9,813	1.1 %		2,260	(0.5)%
Impacts related to U.S. Tax Act		—	— %		—	— %		—	— %		(13,987)	2.8 %
Valuation allowance		(170,414)	(59.2)%		26,223	(50.3)%		(63,418)	(14.9)%		302,575	(61.4)%
Other		(74)	— %		(711)	1.3 %		(4,194)	(1.1)%		(5,596)	1.1 %
Effective income tax rate	\$	<u>(101,046)</u>	<u>(35.1)%</u>	\$	<u>8,181</u>	<u>(15.7)%</u>	\$	<u>32,072</u>	<u>8.2 %</u>	\$	<u>49,387</u>	<u>(10.0)%</u>

For Fiscal 2023 the Company recorded an income tax benefit of \$101.0 million compared to income tax expense of \$8.2 million and \$32.1 million in the periods ending March 31, 2022, and December 31, 2021, respectively. The change was primarily due to the recognition of an income tax benefit from the release of the U.S. federal valuation on beginning of year deferred tax assets in the period ending March 31, 2023. In the period ending March 31, 2022, additional valuation allowances were recorded for the U.S. and for the period ended December 31, 2021, the income tax benefits for the reduction in U.S. valuation allowances was limited to the current period earnings.

On August 16, 2022, the Inflation Reduction Act (the "Act") was enacted and signed into law in the United States. The Act contains a number of revisions to the Internal Revenue Code, including a 15% corporate minimum tax and a 1% excise tax on corporate stock repurchases in tax years beginning after December 31, 2022. The Company does not expect these tax provisions to have a material impact to the consolidated financial statements.

Deferred tax assets and liabilities consisted of the following:

(In thousands)	March 31, 2023	March 31, 2022	December 31, 2021
<b>Deferred tax assets</b>			
Operating lease liabilities	\$ 213,381	\$ 191,342	\$ 197,682
U.S. Federal and State Capital Loss	45,099	57,200	57,097
Reserves and accrued liabilities	44,401	61,846	41,943
Capitalized research expenditures	35,539	8,646	—
Inventory	33,768	18,862	26,860
Foreign net operating loss carry-forwards	33,492	38,069	33,875
Intangible assets	22,923	25,935	26,281
U.S. state net operating loss	13,708	17,438	16,636
Allowance for doubtful accounts and sales return reserves	13,112	15,168	14,940
Foreign tax credits	9,522	9,423	8,606
Stock-based compensation	8,076	6,299	11,301
Deductions limited by income	5,957	6,083	3,288
U.S. tax credits	4,567	7,970	7,273
Convertible debt instruments	725	1,196	—
Other	8,674	8,896	5,490
Total deferred tax assets	492,944	474,373	451,272
Less: valuation allowance	(175,185)	(350,610)	(318,221)
Total net deferred tax assets	\$ 317,759	\$ 123,763	\$ 133,051
<b>Deferred tax liabilities</b>			
Right-of-use asset	\$ (122,286)	\$ (93,541)	\$ (98,085)
Convertible debt instruments	—	—	(1,066)
Prepaid expenses	(4,875)	(8,012)	(8,356)
Property, plant and equipment	(3,862)	(1,913)	(7,018)
Other	(1,888)	(2,042)	(3,743)
Total deferred tax liabilities	(132,911)	(105,508)	(118,268)
Total deferred tax assets, net	\$ 184,848	\$ 18,255	\$ 14,783

All deferred tax assets and liabilities are classified as non-current on the Consolidated Balance Sheets as of March 31, 2023, March 31, 2022 and December 31, 2021. In evaluating its ability to realize the net deferred tax assets, the Company considered all available positive and negative evidence, including its past operating results and the forecast of future market growth, forecasted earnings, future taxable income, and prudent and feasible tax planning strategies. The assumptions utilized in determining future taxable income require significant judgment and actual operating results in future years could differ from the Company's current assumptions, judgments and estimates.

A significant portion of the Company's deferred tax assets relate to U.S. federal and state taxing jurisdictions. Realization of these deferred tax assets is dependent on future U.S. pre-tax earnings. In evaluating the recoverability of these deferred tax assets as of March 31, 2023, the Company has considered all available evidence, both positive and negative, including but not limited to the following:

Positive

- Current year pre-tax earnings including positive financial taxable income in the U.S. federal jurisdiction.
- Prior three-year cumulative positive financial taxable income in the U.S. federal jurisdiction.
- Forecasted future positive financial taxable income in the U.S.
- No material definite lived tax attributes (excluding capital loss) subject to expiration in the near short term.
- No history of U.S. federal and material state tax attributes expiring unused.
- Available prudent and feasible tax planning strategies.

Negative

- Prior three-year cumulative financial taxable loss in the U.S. state jurisdiction.
- Inherent challenges in forecasting sufficient future state pre-tax earnings to overcome existing cumulative losses in prior years.
- Existing definite life state attributes related to credits and net operating losses.

As of March 31, 2023, the Company believes that the weight of the positive evidence outweighs the negative evidence regarding the realization of the Company's U.S. federal deferred tax assets, resulting in the release of the corresponding valuation allowance. The release of valuation allowance (excluding capital losses) resulted in a material benefit to income tax expense and net income in the period. As of March 31, 2023, for U.S. states the Company believes the weight of the negative evidence continues to outweigh the positive evidence regarding the realization of the state deferred tax assets and the Company has maintained a valuation allowance against these assets. The Company's current forecast for the U.S. indicates that there is a possibility that within the next 12 months, sufficient positive evidence may become available to reach a conclusion that a portion of the U.S. state valuation allowance will no longer be required. The actualization of these forecasted results may result in a reversal of a portion of previously recorded U.S. state valuation allowances in the United States. The release of valuation allowances would result in a benefit to income tax expense in the period the release is recorded. The timing and amount are subject to change based on the actual profitability that the Company is able to actually achieve in the United States. The Company also continues to maintain a valuation allowance against its net deferred income tax assets in certain foreign tax jurisdictions and will evaluate its ability to realize its net deferred tax assets on a quarterly basis.

As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. The Company will continue to evaluate our ability to realize our net deferred tax assets on a quarterly basis.

As of March 31, 2023, the Company had \$13.7 million in deferred tax assets associated with \$261.5 million in state net operating loss carryforwards and \$4.6 million in deferred tax assets associated with state tax credits, the majority of which are definite lived. Certain definite lived state net operating losses and state tax credits will begin to expire within ten to twenty years. The Company had \$45.1 million in deferred tax assets associated with federal and state capital loss carryforwards of \$176.8 million, which, if unused, will expire in two years. The Company is not able to forecast the utilization of the deferred tax assets associated with state net operating loss carryforwards, the deferred tax assets associated with federal and state capital loss carryforwards, and a majority of the deferred tax assets associated with state tax credits and has recorded a valuation allowance of \$63.1 million against these deferred tax assets.

As of March 31, 2023, the Company had \$38.4 million in deferred tax assets associated with approximately \$177.6 million in foreign net operating loss carryforwards and \$9.5 million in deferred tax assets associated with foreign tax credit carryforwards. While the majority of the foreign net operating loss carryforwards and foreign tax credit carryforwards have an indefinite carryforward period, certain are definite lived, expected to expire within three to fifteen years. Additionally, the Company is not able to forecast the utilization of a majority of the deferred tax assets associated with foreign net operating loss carryforwards, foreign tax credit carryforwards and certain other foreign deferred tax assets and has recorded a valuation allowance of \$68.9 million against these foreign deferred tax assets.

As of March 31, 2023, approximately \$396.5 million of cash and cash equivalents was held by the Company's non-U.S. subsidiaries whose cumulative undistributed earnings total \$1.3 billion. The Tax Cuts and Jobs Act of 2017 imposed U.S. federal tax on all post-1986 foreign unrepatriated earnings accumulated through December 31, 2017. The portion of these earnings not subject to U.S. federal income tax as part of the one-time transition tax should, in general, not be subject to U.S. federal income tax. The Company will continue to permanently reinvest these earnings, as well as future earnings from its foreign subsidiaries, to fund international growth and operations. If the Company was to repatriate indefinitely reinvested foreign funds, it would still be required to accrue and pay certain taxes upon repatriation, including foreign withholding taxes and certain U.S. state taxes and recognized foreign exchange rate impacts. Determination of the unrecorded deferred tax liability that would be incurred if such amounts were repatriated is not practicable.

The following table represents a reconciliation of the Company's total unrecognized tax benefits balances, excluding interest and penalties.

(In thousands)	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021	Year Ended December 31, 2020
Beginning of period	\$ 49,842	\$ 49,125	\$ 40,314	\$ 41,194
Increases as a result of tax positions taken in a prior period	4,987	159	6,713	1,738
Decreases as a result of tax positions taken in a prior period	(598)	(37)	(332)	(2,309)
Increases as a result of tax positions taken during the current period	4,594	595	2,430	2,142
Decreases as a result of settlements during the current period	—	—	—	(1,500)
Reductions as a result of divestiture	—	—	—	(951)
End of period	<u>\$ 58,825</u>	<u>\$ 49,842</u>	<u>\$ 49,125</u>	<u>\$ 40,314</u>

As of March 31, 2023, the total liability for unrecognized tax benefits was approximately \$67.2 million (March 31, 2022: \$55.6 million; December 31, 2021: \$54.6 million) including \$8.5 million for the accrual of interest and penalties (March 31, 2022: \$5.7 million; December 31, 2021: \$5.5 million).

For Fiscal 2023, the Company recorded \$2.7 million for the accrual of interest and penalties within the provision for income taxes on its Consolidated Statements of Operations (Fiscal 2021: \$1.2 million; Fiscal 2020: \$1.2 million; Transition Period: \$0.2 million).

As of March 31, 2023, \$50.3 million of unrecognized tax benefits, excluding interest and penalties, would impact the Company's effective tax rate if recognized. Also included in the balance are unrecognized tax benefits of \$6.6 million that, if recognized, would result in adjustments to other tax accounts, primarily valuation allowances on deferred tax assets.

The Company files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. The Company is currently under audit by the U.S. Internal Revenue Service for the years 2015 through 2020. The majority of the Company's other returns for years before 2017 are no longer subject to U.S. federal, state and local or foreign income tax examinations by tax authorities.

The total amount of unrecognized tax benefits relating to the Company's tax positions is subject to change based on future events including, but not limited to, the settlements of ongoing tax audits and assessments and the expiration of applicable statutes of limitations. Although the outcomes and timing of such events are highly uncertain, the Company does not anticipate that the balance of gross unrecognized tax benefits, excluding interest and penalties, will change significantly during the next twelve months. However, changes in the occurrence, expected outcomes, and timing of such events could cause the Company's current estimate to change materially in the future.

**NOTE 18. EARNINGS PER SHARE**

The following represents a reconciliation from basic net income (loss) per share to diluted net income (loss) per share:

	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021 <sup>(1)</sup>	Year Ended December 31, 2020
<b>Numerator</b>				
Net income (loss) - Basic	\$ 386,769	\$ (59,610)	\$ 360,060	\$ (549,177)
Interest on Convertible Senior Notes due 2024, net of tax <sup>(2)</sup>	899	—	—	—
Net income (loss) - Diluted	\$ 387,668	\$ (59,610)	\$ 360,060	\$ (549,177)
<b>Denominator</b>				
Weighted average common shares outstanding Class A, B and C - Basic	451,426	471,425	465,504	454,089
Dilutive effect of Class A, B, and C securities <sup>(2)</sup>	1,841	—	3,035	—
Dilutive effect of Convertible Senior Notes due 2024 <sup>(2)</sup>	8,242	—	105	—
Weighted average common shares and dilutive securities outstanding Class A, B, and C	461,509	471,425	468,644	454,089
Class A and Class C securities excluded as anti-dilutive <sup>(3)</sup>	6,989	6,539	1,578	6,364
Basic net income (loss) per share of Class A, B and C common stock	\$ 0.86	\$ (0.13)	\$ 0.77	\$ (1.21)
Diluted net income (loss) per share of Class A, B and C common stock	\$ 0.84	\$ (0.13)	\$ 0.77	\$ (1.21)

<sup>(1)</sup> The Company adopted Accounting Standard Update No. 2020-06 "Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40)" (ASU 2020-06) on January 1, 2022 using the modified retrospective transition approach. As a result, prior period comparatives have not been restated to conform to current period presentation.

<sup>(2)</sup> Effects of potentially dilutive securities are presented only in periods in which they are dilutive. No stock options, restricted stock units, or effects from the Convertible Senior Notes due 2024 are included in the computation of diluted earnings per share during periods when the Company is in the net loss position, as their effect would be anti-dilutive.

<sup>(3)</sup> Represents stock options and restricted stock units of Class A and Class C Common Stock outstanding that were excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive.

**NOTE 19. SEGMENT DATA**

The Company's operating segments are based on how the Chief Operating Decision Maker ("CODM") makes decisions about allocating resources and assessing performance. As such, the CODM receives discrete financial information for the Company's principal business by geographic region based on the Company's strategy of being a global brand. These geographic regions include North America, Europe, the Middle East and Africa ("EMEA"), Asia-Pacific and Latin America. Each geographic segment operates exclusively in one industry: the development, marketing and distribution of branded performance apparel, footwear and accessories. Total expenditures for additions to long-lived assets are not disclosed as this information is not regularly provided to the CODM.

The Company excludes certain corporate items from its segment profitability measures. The Company reports these items within Corporate Other, which is designed to provide increased transparency and comparability of the Company's operating segments' performance. Corporate Other consists primarily of (i) operating results related to MMR platforms and other digital business opportunities; (ii) general and administrative expenses not allocated to an operating segment, including expenses associated with centrally managed departments which include global marketing, global IT, global supply chain and innovation, and other corporate support functions; (iii) restructuring and restructuring related charges; and (iv) certain foreign currency hedge gains and losses.

The following tables summarize the Company's net revenues and operating income (loss) by its geographic segments. Intercompany balances were eliminated for separate disclosure:

	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021	Year Ended December 31, 2020
<b>Net revenues</b>				
North America	\$ 3,820,993	\$ 841,101	\$ 3,810,372	\$ 2,944,978
EMEA	992,624	228,056	842,511	598,296
Asia-Pacific	825,338	181,908	831,762	628,657
Latin America	213,215	45,640	195,248	164,825
Corporate Other	51,466	4,240	3,573	137,911
<i>Total net revenues</i>	<u>\$ 5,903,636</u>	<u>\$ 1,300,945</u>	<u>\$ 5,683,466</u>	<u>\$ 4,474,667</u>

	Year Ended March 31, 2023	Three Months Ended March 31, 2022 (Transition Period)	Year Ended December 31, 2021	Year Ended December 31, 2020
<b>Operating income (loss)</b>				
North America	\$ 734,881	\$ 154,084	\$ 972,093	\$ 474,584
EMEA	112,161	30,336	132,602	60,592
Asia-Pacific	100,276	5,464	132,911	2
Latin America	23,487	6,343	22,388	(42,790)
Corporate Other	(686,994)	(242,183)	(773,704)	(1,105,826)
<i>Total operating income (loss)</i>	<u>283,811</u>	<u>(45,956)</u>	<u>486,290</u>	<u>(613,438)</u>
Interest expense, net	(12,826)	(6,154)	(44,300)	(47,259)
Other income (expense), net	16,780	(51)	(51,113)	168,153
<i>Income (loss) before income taxes</i>	<u>\$ 287,765</u>	<u>\$ (52,161)</u>	<u>\$ 390,877</u>	<u>\$ (492,544)</u>

Long-lived assets are primarily composed of property and equipment, net and operating lease right-of-use assets. The Company's long-lived assets by geographic area were as follows:

	March 31, 2023	March 31, 2022	December 31, 2021
<b>Long-lived assets</b>			
United States	\$ 921,845	\$ 787,806	\$ 801,130
Canada	15,671	20,756	21,094
Total North America	937,516	808,562	822,224
Other foreign countries	224,526	213,200	233,366
Total long-lived assets	<u>\$ 1,162,042</u>	<u>\$ 1,021,762</u>	<u>\$ 1,055,590</u>

## NOTE 20. RELATED PARTY TRANSACTIONS

The Company has an operating lease agreement with an entity controlled by the Company's Executive Chair and Brand Chief to lease an aircraft for business purposes. The Company recorded \$2.0 million for lease payments to the entity for its use of the aircraft during Fiscal 2023, of which \$0.6 million remained payable as of March 31, 2023 (Fiscal 2021: \$2.0 million; Fiscal 2020: \$2.0 million; Transition Period: \$0.5 million). The Company determined the lease payments were at fair market lease rates.

In June 2016, the Company purchased parcels of land from an entity controlled by the Company's Executive Chair and Brand Chief, to be utilized to expand the Company's corporate headquarters to accommodate its growth needs. The purchase price for these parcels totaled \$70.3 million. The Company determined that the purchase price for the land represented the fair market value of the parcels and approximated the cost to the seller to purchase and develop the parcels, including costs related to the termination of a lease encumbering the parcels.

In connection with the purchase of these parcels, the parties entered into an agreement in September 2016 and a supplement thereto in May 2022, pursuant to which the parties will share the burden of any special taxes

arising due to infrastructure projects in the surrounding area. The allocation to the Company is based on the expected benefits to the Company's parcels from these projects. No amounts were owed by either party under this agreement as of March 31, 2023.

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**ITEM 9A. CONTROLS AND PROCEDURES**

**Evaluation of Disclosure Controls and Procedures**

Our management has evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective in ensuring that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported in a timely manner and (2) accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal control over Financial Reporting is included in Item 8 of this Annual Report on Form 10-K.

**Changes in Internal Controls**

We have assessed the impact on changes to our internal controls over financial reporting, and conclude that there have been no changes in our internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-15(f), during the most recent fiscal quarter that have materially affected, or that are reasonably likely to materially affect our internal controls over financial reporting. We have not experienced any material impact to our internal controls over financial reporting despite the fact that a significant number of our employees have transitioned to a hybrid work environment. We continue to monitor and assess impacts of hybrid work on our control environment and control activities in order to minimize the impact on the design and operating effectiveness of our controls.

We have implemented a new e-commerce order management system in North America. In connection with this implementation and resulting business process changes, we did not make any material changes to the design and operation of our internal controls over financial reporting.

**ITEM 9B. OTHER INFORMATION**

On May 23, 2023, the Board of Directors of the Company approved and adopted certain amendments (the "Amendments") to the Company's Bylaws (the "Bylaws" and, as amended, the "Amended Bylaws"), which became effective immediately.

The Amendments update various provisions of the Bylaws to require parties proposing a nominee for election of a director to comply with the universal proxy rules recently adopted by the U.S. Securities and Exchange Commission. In addition, the Amendments update the Bylaws' proxy and advance notice provisions, specifically, the notice required thereby, to require, among other things: (i) certain representations with respect to the solicitation intentions of a proposing stockholder; (ii) additional representations regarding the willingness and ability of a proposed nominee to serve on the Board, if elected; and (iii) that advance notice of any nomination or proposal of other business contain all information that would be required to be disclosed in a proxy statement or other filing required to be made in connection with the solicitation of proxies in support of such nominee or proposal pursuant to Regulation 14A of the Securities Exchange Act of 1934, as well as disclosure of any substantial direct or indirect interests of the proposing stockholder, persons acting in concert with the stockholder and any proposed nominee in the Company, other than by virtue of ownership of Company stock. The Amendments also clarify that a stockholder may not nominate more individuals than there are directors to be elected or substitute or replace a proposed

nominee without compliance with the requirements for nomination in the bylaws, including compliance with applicable deadlines.

The Amendments also update the title of "chairman" to "chair" and remove gendered language throughout the Bylaws, make various other conforming and technical changes including clarification of the duties of the inspector of elections and the powers of the chair of a stockholder meeting and update provisions relating to virtual meetings to align with changes to the Maryland General Corporation Law statutory language.

The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the full text of the Amended Bylaws, a copy of which is attached hereto as Exhibit 3.03 and incorporated herein by reference.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

**PART III.**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

The information required by this Item regarding directors is incorporated herein by reference from the 2023 Proxy Statement, under the headings "Election of Directors," "Corporate Governance and Related Matters - Board Meetings and Committees." Information required by this Item regarding executive officers is included under "Executive Officers" in Part 1 of this Annual Report on Form 10-K.

**Code of Ethics**

We have a written code of ethics and business conduct in place that applies to all our employees, including our principal executive officer, principal financial officer, and principal accounting officer and controller. A copy of our code of ethics and business conduct is available on our website: <https://about.underarmour.com/investor-relations/governance>. We are required to disclose any change to, or waiver from, our code of ethics and business policy for our senior financial officers. We intend to use our website as a method of disseminating this disclosure as permitted by applicable SEC rules.

**ITEM 11. INFORMATION ABOUT OUR EXECUTIVE COMPENSATION**

The information required by this Item is incorporated by reference herein from the 2023 Proxy Statement under the headings "Corporate Governance and Related Matters - Compensation of Directors," and "Executive Compensation."

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information required by this Item is incorporated by reference herein from the 2023 Proxy Statement under the headings "Security Ownership of Management and Certain Beneficial Owners of Shares" and "Equity Compensation Plan Information."

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

The information required by this Item is incorporated by reference herein from the 2023 Proxy Statement under the heading "Transactions with Related Persons" and "Corporate Governance and Related Matters - Independence of Directors."

**ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The information required by this Item is incorporated by reference herein from the 2023 Proxy Statement under the heading "Independent Auditors."

PART IV.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

a. The following documents are filed as part of this Annual Report on Form 10-K:

**1. Financial Statements:**

[Report of Independent Registered Public Accounting Firm \(PCAOB ID 238\)](#)

[Consolidated Balance Sheets as of March 31, 2023, March 31, 2022 and December 31, 2021](#)

[Consolidated Statements of Operations for the Year March 31, 2023, the Three Months Ended March 31, 2022, and the Years Ended December 31, 2021 and 2020](#)

[Consolidated Statements of Comprehensive Income \(Loss\) for the Year Ended March 31, 2023, the Three Months Ended March 31, 2022, and the Years Ended December 31, 2021 and 2020](#)

[Consolidated Statements of Stockholders' Equity for the Year Ended March 31, 2023, the Three Months Ended March 31, 2022, and the Years Ended December 31, 2021, and 2020](#)

[Consolidated Statements of Cash Flows for the Year Ended March 31, 2023, the Three Months Ended March 31, 2022, and the Years Ended December 31, 2021, and 2020](#)

[Notes to the Audited Consolidated Financial Statements](#)

**2. Financial Statement Schedule**

[Schedule II—Valuation and Qualifying Accounts](#)

All other schedules are omitted because they are not applicable or the required information is shown in the Consolidated Financial Statements or notes thereto.

**3. Exhibits**

The following exhibits are incorporated by reference or filed herewith.

Exhibit No.	
<a href="#">3.01</a>	Amended and Restated Articles of Incorporation.
<a href="#">3.02</a>	Articles Supplementary setting forth the terms of the Class C Common Stock, dated June 15, 2015 (incorporated by reference to Appendix F to the Preliminary Proxy Statement filed by the Company on June 15, 2015).
<a href="#">3.03</a>	Amended and Restated Bylaws of Under Armour, Inc. (effective May 23, 2023).
<a href="#">4.01</a>	Description of the Company's Securities Registered Pursuant to Section 12 of the Exchange Act (incorporated by reference to Exhibit 4.01 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, filed on February 24, 2021).
<a href="#">4.02</a>	Indenture, dated as of June 13, 2016, between the Company and Wilmington Trust, National Association, as trustee (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed on June 13, 2016).
<a href="#">4.03</a>	First Supplemental Indenture, dated as of June 13, 2016, relating to the 3.250% Senior Notes due 2026, between the Company and Wilmington Trust, National Association, as trustee, and the Form of 3.250% Senior Notes due 2026 (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K filed on June 13, 2016).
<a href="#">4.04</a>	Indenture, dated as of May 27, 2020, relating to the Company's 1.50% Convertible Senior Notes due 2024, between the Company and Wilmington Trust, National Association, as Trustee and the Form of 1.50% Convertible Senior Notes due 2024 (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed on May 28, 2020).
<a href="#">10.01</a>	Credit Agreement, dated March 8, 2019, by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, PNC Bank, National Association, as syndication agent and the other lenders and arrangers party thereto (incorporated by reference to Exhibit 10.01 of the Company's Current Report on Form 8-K filed on March 8, 2019).

Exhibit No.	
<a href="#">10.02</a>	Amendment No. 1, dated May 12, 2020, to the Amended and Restated Credit Agreement, dated March 8, 2019, by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders and arrangers party thereto (incorporated by reference to Exhibit 10.01 of the Company's Current Report on Form 8-K filed on May 12, 2020).
<a href="#">10.03</a>	Amendment No. 2, dated May 17, 2021, to the Amended and Restated Credit Agreement dated March 8, 2019, by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders and arrangers party thereto (incorporated by reference to Exhibit 10.01 of the Company's Current Report on Form 8-K filed on May 19, 2021).
<a href="#">10.04</a>	Amendment No. 3, dated December 3, 2021, to the Amended and Restated Credit Agreement, dated March 8, 2019, by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders and arrangers party thereto (incorporated by reference to Exhibit 10.01 of the Company's Current Report on Form 8-K filed on December 8, 2021).
<a href="#">10.05</a>	Technical Modification, dated February 24, 2023, to the Amended and Restated Credit Agreement, dated March 8, 2019, by and among the Company, as borrower, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders and arrangers party thereto.
<a href="#">10.06</a>	Form of Capped Call Confirmation (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on May 28, 2020).
<a href="#">10.07</a>	Form of Accelerated Share Repurchase Agreement (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on February 25, 2022).
<a href="#">10.08</a>	Under Armour, Inc. Amended and Restated Executive Incentive Compensation Plan (incorporated by reference to Exhibit 10.01 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, filed on August 4, 2022).*
<a href="#">10.09</a>	Under Armour, Inc. Amended and Restated Deferred Compensation Plan (incorporated by reference to Exhibit 10.10 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, filed on February 22, 2019).*
<a href="#">10.10</a>	Under Armour, Inc. Executive Change in Control Severance Plan.*
<a href="#">10.11</a>	Under Armour, Inc. Executive Severance Program.*
<a href="#">10.12</a>	Under Armour, Inc. Third Amended and Restated 2005 Omnibus Long-Term Incentive Plan (the "2005 Plan") (incorporated by reference to Exhibit 10.01 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019, filed on August 1, 2019).*
<a href="#">10.13</a>	Form of Non-Qualified Stock Option Grant Agreement under the 2005 Plan between the Company and Kevin Plank (incorporated by reference to Exhibit 10.06 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed on February 26, 2020).*
<a href="#">10.14</a>	Form of Non-Qualified Stock Option Grant Agreement under the 2005 Plan between the Company and Kevin Plank (incorporated by reference to Exhibit 10.13 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018, filed on February 22, 2019).*
<a href="#">10.15</a>	Form of Annual Restricted Stock Unit Grant Agreement under the 2005 Plan (incorporated by reference to Exhibit 10.12 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed on February 23, 2022).*
<a href="#">10.16</a>	Form of Annual Restricted Stock Unit Grant Agreement under the 2005 Plan.*
<a href="#">10.17</a>	Form of Special Restricted Stock Unit Grant Agreement under the 2005 Plan.*
<a href="#">10.18</a>	Form of Performance-Based Restricted Stock Unit Agreement under the 2005 Plan (incorporated by reference to Exhibit 10.02 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022, filed on August 4, 2022).*
<a href="#">10.19</a>	Form of Special Restricted Stock Unit Grant Agreement under the 2005 Plan (incorporated by reference to Exhibit 10.13 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed on February 23, 2022).*
<a href="#">10.20</a>	Form of Restricted Stock Unit Grant Agreement under the 2005 Plan (incorporated by reference to Exhibit 10.08 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed on February 26, 2020).*
<a href="#">10.21</a>	Form of Restricted Stock Unit Grant Agreement under the 2005 Plan (incorporated by reference to Exhibit 10.14 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed on February 28, 2018).*

Exhibit No.	
<a href="#">10.22</a>	Form of Performance-Based Stock Option Grant Agreement under the 2005 Plan (incorporated by reference to Exhibit 10.16 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed on February 28, 2018).*
<a href="#">10.23</a>	Form of Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between certain executives of the Company.*
<a href="#">10.24</a>	Under Armour, Inc. Fiscal 2024 Non-Employee Director Compensation Plan (the "Director Compensation Plan").*
<a href="#">10.25</a>	Form of Initial Restricted Stock Unit Grant under the Director Compensation Plan (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on June 6, 2006).*
<a href="#">10.26</a>	Form of Annual Restricted Stock Unit Grant under the Director Compensation Plan (incorporated by reference to Exhibit 10.06 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, filed on August 4, 2011).*
<a href="#">10.27</a>	Under Armour, Inc. 2006 Non-Employee Director Deferred Stock Unit Plan (the "Director DSU Plan") (incorporated by reference to Exhibit 10.02 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, filed on May 5, 2010).*
<a href="#">10.28</a>	Amendment One to the Director DSU Plan (incorporated by reference to Exhibit 10.23 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, filed on February 24, 2011).*
<a href="#">10.29</a>	Amendment Two to the Director DSU Plan (incorporated by reference to Exhibit 10.02 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, filed on August 3, 2016).*
<a href="#">10.30</a>	Amendment Three to the Director DSU Plan (incorporated by reference to Exhibit 10.22 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed on February 26, 2020).*
<a href="#">10.31</a>	Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between Patrik Frisk and the Company (incorporated by reference to Exhibit 10.01 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, filed on May 9, 2018).*
<a href="#">10.32</a>	First Amendment to Employee Confidentiality, Non-Competition and Non-Solicitation Agreement, dated June 30, 2021, by and between Patrik Frisk and the Company (incorporated by reference to Exhibit 10.03 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, filed on August 5, 2021).*
<a href="#">10.33</a>	Separation Agreement between the Company and Patrik Frisk dated May 17, 2022, including General Release and Form of Consulting Agreement (incorporated by reference to Exhibit 10.01 of the Company's Current Report on Form 8-K filed on May 18, 2022).*
<a href="#">10.34</a>	Confidentiality, Non-Competition and Non-Solicitation Agreement, dated June 15, 2015, between the Company and Kevin Plank (the "Plank Non-Compete Agreement") (incorporated by reference to Appendix E to the Preliminary Proxy Statement filed by Under Armour, Inc. on June 15, 2015).*
<a href="#">10.35</a>	First Amendment to the Plank Non-Compete Agreement, dated April 7, 2016 (incorporated by reference to Exhibit 10.03 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, filed on April 29, 2016).*
<a href="#">10.36</a>	Form of Separation Agreement between the Company and Stephanie Pugliese, including General Release (incorporated by reference to Exhibit 10.03 of the Company's Quarterly Report of Form 10-Q for the quarter ended September 30, 2022, filed on November 8, 2022).*
<a href="#">10.37</a>	Employment Offer Letter (including specific contractual obligations), dated December 14, 2022, by and between Stephanie C. Linnartz and the Company (incorporated by reference to Exhibit 10.01 of the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2022, filed on February 8, 2023)*
<a href="#">10.38</a>	Special Restricted Stock Unit Agreement under the 2005 Plan, dated February 27, 2023, between the Company and Stephanie C. Linnartz.*
<a href="#">21.01</a>	List of Subsidiaries.
<a href="#">23.01</a>	Consent of PricewaterhouseCoopers LLP.
<a href="#">31.01</a>	Section 302 Chief Executive Officer Certification.
<a href="#">31.02</a>	Section 302 Chief Financial Officer Certification.
<a href="#">32.01</a>	Section 906 Chief Executive Officer Certification.
<a href="#">32.02</a>	Section 906 Chief Financial Officer Certification.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

**Exhibit  
No.**

101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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\* Management contract or a compensatory plan or arrangement required to be filed as an Exhibit pursuant to Item 15(b) of Form 10-K.

**ITEM 16. FORM 10-K SUMMARY**

None.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

UNDER ARMOUR, INC.

By: /s/ STEPHANIE C. LINNARTZ  
Stephanie C. Linnartz  
*President and Chief Executive Officer*

Date: May 24, 2023

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

<u>/s/ STEPHANIE C. LINNARTZ</u> Stephanie C. Linnartz	President and Chief Executive Officer (principal executive officer)
<u>/s/ DAVID E. BERGMAN</u> David E. Bergman	Chief Financial Officer (principal financial officer)
<u>/s/ ADITYA MAHESHWARI</u> Aditya Maheshwari	Senior Vice President and Chief Accounting Officer (principal accounting officer)
<u>/s/ KEVIN A. PLANK</u> Kevin A. Plank	Executive Chair and Brand Chief
<u>/s/ DOUGLAS E. COLTHARP</u> Douglas E. Coltharp	Director
<u>/s/ JERRI L. DEVARD</u> Jerri L. DeVard	Director
<u>/s/ MOHAMED A. EL-ERIAN</u> Mohamed A. El-Erian	Director
<u>/s/ CAROLYN N. EVERSON</u> Carolyn N. Everson	Director
<u>/s/ DAVID W. GIBBS</u> David W. Gibbs	Director
<u>/s/ KAREN W. KATZ</u> Karen W. Katz	Director
<u>/s/ ERIC T. OLSON</u> Eric T. Olson	Director
<u>/s/ PATRICK W. WHITESELL</u> Patrick W. Whitesell	Director

Dated: May 24, 2023

Schedule II  
Valuation and Qualifying Accounts

(In thousands)

Description	Balance at Beginning of Year	Charged to Costs and Expenses	Write-Offs Net of Recoveries	Balance at End of Year
<b>Allowance for doubtful accounts</b>				
For the year ended March 31, 2023	\$ 7,113	\$ 5,193	\$ (1,493)	\$ 10,813
For the three months ended March 31, 2022 (Transition Period)	7,128	(36)	21	7,113
For the year ended December 31, 2021	20,350	(3,821)	(9,401)	7,128
For the year ended December 31, 2020	15,082	10,456	(5,188)	20,350
<b>Sales returns and allowances</b>				
For the year ended March 31, 2023	\$ 70,136	\$ (125,816)	\$ 125,871	\$ 70,191
For the three months ended March 31, 2022 (Transition Period)	69,070	(23,649)	24,715	70,136
For the year ended December 31, 2021	94,179	(96,632)	71,523	69,070
For the year ended December 31, 2020	98,652	(431,253)	426,780	94,179
<b>Deferred tax asset valuation allowance</b>				
For the year ended March 31, 2023	\$ 350,610	\$ 5,338	\$ (180,763)	\$ 175,185
For the three months ended March 31, 2022 (Transition Period)	318,221	33,743	(1,354)	350,610
For the year ended December 31, 2021	388,431	12,605	(82,815)	318,221
For the year ended December 31, 2020	101,997	291,887	(5,453)	388,431

## UNDER ARMOUR, INC.

## AMENDED AND RESTATED BYLAWS

ARTICLE I  
STOCKHOLDERS

**Section 1. Annual Meeting.** The annual meeting of stockholders of the Corporation shall be held each year on the date and time and at the place set by the Board of Directors. Failure to hold an annual meeting does not invalidate the Corporation's existence or affect any otherwise valid corporate act. The Board of Directors may determine that a meeting not be held at any place, but instead may be held partially or solely by means of remote communication. In accordance with these Bylaws and subject to any guidelines and procedures adopted by the Board of Directors, stockholders and proxy holders may participate in any meeting of stockholders held by means of remote communication and may vote at such meeting as permitted by Maryland law. Participation in a meeting by these means constitutes presence in person at the meeting.

**Section 2. Matters to be Considered at Annual Meeting.**

(a) At an annual meeting of stockholders, only such nominees for election as directors and such other proposals may properly be brought before the annual meeting (i) pursuant to the notice of meeting delivered to stockholders in accordance with Section 5 of this Article I, (ii) by, or at the direction of, a majority of the Board of Directors or (iii) by any stockholder of the Corporation who is a stockholder of record at the time of giving notice provided for in this Section 2, as of the record date for such meeting and at the time of the meeting, who is entitled to vote on each such nominee or other business proposal and who complies with the notice procedures set forth in this Section 2 with regard to each such nominee or other business proposal. For a nomination or proposal of other business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation containing the information required by Section 2(b) of this Article I. To be timely, a stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than 120 days nor more than 150 days prior to the first anniversary of the date of the mailing of the notice for the preceding year's annual meeting; *provided, however*, that in the event that the date of the mailing of the notice for the current year's annual meeting is advanced or delayed by more than 30 days from the first anniversary of the date of mailing the notice for the preceding year's annual meeting, notice by the stockholder, to be timely, must be so delivered not less than 120 days nor more than 150 days prior to the date of mailing of the notice for such annual meeting (or the tenth day following the day on which disclosure of the date of mailing of the notice for such meeting is made, if later). In no event shall the postponement or adjournment of an annual meeting (or the public announcement thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(b) A stockholder's notice must contain, as of the date such notice is delivered to the Secretary of the Corporation:

(i) as to each individual whom the stockholder proposes to nominate for election or reelection as a director (each, a "*Proposed Nominee*"), all information relating to the Proposed Nominee that would be required to be disclosed in connection with the solicitation of proxies for the election of the

Proposed Nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the “Exchange Act”);

(ii) as to any other business that the stockholder proposes to bring before the meeting, (A) a description of such business (including the text of any proposal), the stockholder’s reasons for proposing such business at the meeting and any material interest in such business of such stockholder or any Stockholder Associated Person (as defined below), individually or in the aggregate, including any anticipated benefit to the stockholder or the Stockholder Associated Person therefrom and (B) any other information relating to such item of business that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of the business proposed to be brought before the meeting pursuant to Regulation 14A (or any successor provision) of the Exchange Act;

(iii) as to the stockholder giving the notice, any Proposed Nominee and any Stockholder Associated Person,

(A) the class, series and number of all shares of stock or other securities of the Corporation (collectively, the “Company Securities”), if any, which are owned (beneficially or of record) by such stockholder, Proposed Nominee or Stockholder Associated Person, the date on which each such Company Security was acquired and the investment intent of such acquisition, and any short interest (including any opportunity to profit or share in any benefit from any decrease in the price of such stock or other security) in any Company Securities of any such person,

(B) the nominee holder for, and number of, any Company Securities owned beneficially but not of record by such stockholder, Proposed Nominee or Stockholder Associated Person,

(C) whether and the extent to which such stockholder, Proposed Nominee or Stockholder Associated Person, directly or indirectly (through brokers, nominees or otherwise), is subject to or during the last six months has engaged in any hedging, derivative or other transaction or series of transactions or entered into any other agreement, arrangement or understanding (including any short interest, any borrowing or lending of securities or any proxy or voting agreement), the effect or intent of which is to (I) manage risk or benefit of changes in the price of Company Securities for such stockholder, Proposed Nominee or Stockholder Associated Person or (II) increase or decrease the voting power of such stockholder, Proposed Nominee or Stockholder Associated Person in the Corporation disproportionately to such person’s economic interest in the Company Securities, and

(D) any substantial interest, direct or indirect (including, without limitation, any existing or prospective commercial, business or contractual relationship with the Corporation), by security holdings or otherwise, of such stockholder, Proposed Nominee or Stockholder Associated Person, in the Corporation, other than an interest arising from the ownership of Company Securities where such stockholder, Proposed Nominee or Stockholder Associated Person receives no extra or special benefit not shared on a pro rata basis by all other holders of the same class or series;

(iv) as to the stockholder giving the notice, any Stockholder Associated Person with an interest or ownership referred to in clauses (ii) or (iii) of this Section (2)(b) and any Proposed Nominee,

(A) the name and address of such stockholder, as they appear on the Corporation's stock ledger, and the current name and business address, if different, of each such Stockholder Associated Person and any Proposed Nominee; and

(B) the investment strategy or objective, if any, of such stockholder and each such Stockholder Associated Person that is not an individual and a copy of the prospectus, offering memorandum or similar document, if any, provided to investors or potential investors in such stockholder and each such Stockholder Associated Person;

(v) the name and address of any person who contacted or was contacted by the stockholder giving the notice or any Stockholder Associated Person about the Proposed Nominee or other business proposal;

(vi) to the extent known by the stockholder giving the notice, the name and address of any other person supporting the nominee for election or reelection as a director or the proposal of other business;

(vii) if the stockholder is proposing one or more Proposed Nominees, a representation that such stockholder, Proposed Nominee or Stockholder Associated Person intends or is part of a group which intends to solicit the holders of shares representing at least 67% of the voting power of shares entitled to vote on the election of directors in support of Proposed Nominees in accordance with Rule 14a-19 of the Exchange Act; and

(viii) all other information regarding the stockholder giving the notice and each Stockholder Associated Person that would be required to be disclosed by the stockholder in connection with the solicitation of proxies for the election of directors in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such a solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act.

(c) Such stockholder's notice shall, with respect to any Proposed Nominee, be accompanied by a:

(i) written representation executed by the Proposed Nominee (A) that such Proposed Nominee (1) is not, and will not become, a party to any agreement, arrangement or understanding with any person or entity other than the Corporation in connection with service or action as a director that has not been disclosed to the Corporation, (2) consents to be named in a proxy statement as a nominee, (3) will serve as a director of the Corporation if elected, (4) will notify the Corporation simultaneously with the notification of the stockholder of the Proposed Nominee's actual or potential unwillingness or inability to serve as a director and (5) does not need any permission or consent from any third party to serve as a director of the Corporation, if elected, that has not been obtained, including any employer or any other board or governing body on which such Proposed Nominee serves; (B) attaching a completed questionnaire with respect to such Proposed Nominee (which questionnaire shall be provided by the Corporation, upon request by the stockholder providing the notice, and shall include all information relating to the Proposed Nominee that would be required to be disclosed in connection with the

solicitation of proxies for the election of the Proposed Nominee as a director in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act, or would be required pursuant to the rules of any national securities exchange on which any securities of the Corporation are listed or over-the-counter market on which any securities of the Corporation are traded); and

(ii) written representation executed by the stockholder that such stockholder will: (A) comply with Rule 14a-19 promulgated under the Exchange Act in connection with such stockholder's solicitation of proxies in support of any Proposed Nominee; (B) notify the Corporation as promptly as practicable of any determination by the stockholder to no longer solicit proxies for the election of any Proposed Nominee as a director at the annual meeting; (C) furnish such other or additional information as the Corporation may request for the purpose of determining whether the requirements of Section 2 and Section 3 of this Article I have been complied with and of evaluating any nomination or other business described in the stockholder's notice; and (D) appear in person or by proxy at the meeting to nominate any Proposed Nominees or to bring such business before the meeting, as applicable, and acknowledges that if the stockholder does not so appear in person or by proxy at the meeting to nominate such Proposed Nominees or bring such business before the meeting, as applicable, the Corporation need not bring such Proposed Nominee or such business for a vote at such meeting and any proxies or votes cast in favor of the election of any such Proposed Nominee or of any proposal related to such other business need not be counted or considered.

(d) Notwithstanding anything in Section 2(a) of this Article I to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased, and there is no public announcement of such action at least 130 days prior to the first anniversary of the date of the mailing of the notice for the preceding year's annual meeting, a stockholder's notice required by this Section 2 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive office of the Corporation not later than the tenth day following the day on which such public announcement is first made by the Corporation.

(e) For purposes of this Section 2, "Stockholder Associated Person" of any stockholder shall mean (i) any person acting in concert with such stockholder or another Stockholder Associated Person or who is otherwise a participant (as defined in Instruction 3 to Item 4 of Schedule 14A under the Exchange Act in the solicitation), (ii) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder (other than a stockholder that is a depository) and (iii) any person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such stockholder or such Stockholder Associated Person.

**Section 3. Matters to be Considered at Special Meetings.** Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. No stockholder may make a proposal of other business to be considered at a special meeting or, except as contemplated by and in accordance with the next two sentences of this Section 3, nominate an individual for election to the Board of Directors at a special meeting. Nominations of individuals for election to the Board of Directors may be made at a special meeting of stockholders duly called for the purpose of electing directors only (a) by, or at the direction of, a majority of the Board of Directors, (b) by a stockholder that has requested that a special meeting be called for the purpose of electing directors in compliance with Section 11 of this Article I and that has

supplied the information required by Section 11 of this Article I about each individual whom the stockholder proposes to nominate for election of directors or (c) by any stockholder of the Corporation who is a stockholder of record at the record date set by the Board of Directors for the purpose of determining stockholders entitled to vote at the special meeting, at the time of giving of notice provided for in this Section 3 and at the time of the special meeting (and any postponement or adjournment thereof), who is entitled to vote at the meeting in the election of each individual so nominated and who has complied with the notice procedures set forth in this Section 3. A stockholder's notice, containing the information and representations required by Section 2(b) and Section 2(c) of this Article I, must be delivered to the Secretary at the principal executive office of the Corporation not earlier than 120 days prior to such special meeting and not later than the later of the 90<sup>th</sup> day prior to such special meeting or the tenth day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. The postponement or adjournment of a special meeting (or the public announcement thereof) shall not commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

***Section 4. Nominations and Proposal of Business by Stockholders Generally.***

(a) If any information or representation submitted pursuant to Section 2 or Section 3 of this Article I by any stockholder proposing a nominee for election as a director or any proposal for other business at a meeting of stockholders shall be inaccurate in any material respect, including any information or representation from a Proposed Nominee, such information or representation may be deemed not to have been provided in accordance with Section 2 or Section 3 of this Article I, as applicable. Any such stockholder shall notify the Corporation of any inaccuracy or change (within two Business Days (as hereinafter defined) of becoming aware of such inaccuracy or change) in any such information. Upon written request by the Secretary or the Board of Directors, any such stockholder or Proposed Nominee shall provide, within five Business Days of delivery of such request (or such other period as may be specified in such request), (i) written verification, satisfactory, in the discretion of the Board of Directors or any authorized officer of the Corporation, to demonstrate the accuracy of any information submitted by the stockholder pursuant to Section 2 or Section 3 of this Article I, as applicable, and (ii) a written update of any information (including, if requested by the Corporation, written confirmation by such stockholder that it continues to intend to bring such nomination or other business proposal before the meeting) submitted by the stockholder pursuant to Section 2 or Section 3 of this Article I, as applicable, as of an earlier date. If a stockholder fails to provide such written verification or written update within such period, the information as to which written verification or a written update was requested may be deemed not to have been provided in accordance with Section 2 or Section 3 of this Article I, as applicable.

(b) Only such individuals who are nominated in accordance with Section 2 or Section 3 of this Article I, as applicable, shall be eligible for election by stockholders as directors, and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with Section 2, with regard to an annual meeting of stockholders, or Section 3, with regard to a special meeting of stockholders. A stockholder proposing a Proposed Nominee shall have no right to (i) nominate a number of Proposed Nominees that exceeds the number of directors to be elected at the meeting or (ii) substitute or replace any Proposed Nominee unless such substitute or replacement is nominated in accordance with Section 2 or Section 3 of this Article I (including the timely provision of all information and representations with respect to such substitute or replacement Proposed Nominee in accordance with the deadlines set forth in Section 2 or Section 3 of this Article I). If the Corporation

provides notice to a stockholder that the number of Proposed Nominees proposed by such stockholder exceeds the number of directors to be elected at a meeting, the stockholder must provide written notice to the Corporation within five Business Days stating the names of the Proposed Nominees that have been withdrawn so that the number of Proposed Nominees proposed by such stockholder no longer exceeds the number of directors to be elected at a meeting. If any individual who is nominated in accordance with Section 2 or Section 3 of this Article I becomes unwilling or unable to serve on the Board of Directors, then the nomination with respect to such individual shall no longer be valid and no votes may validly be cast for such individual. The chair of the meeting shall have the power to determine whether a nomination or any other business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with Section 2 or Section 3 of this Article I, as applicable.

(c) Notwithstanding the foregoing provisions of Section 2 or Section 3 of this Article I, the Corporation shall disregard any proxy authority granted in favor of, or votes for, director nominees other than the Corporation's nominees if the stockholder or Stockholder Associated Person (each, a "Soliciting Stockholder") soliciting proxies in support of such director nominees abandons the solicitation or does not (i) comply with Rule 14a-19 promulgated under the Exchange Act, including any failure by the Soliciting Stockholder to (A) provide the Corporation with any notices required thereunder in a timely manner or (B) comply with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) promulgated under the Exchange Act or (ii) timely provide sufficient evidence in the determination of the Board of Directors sufficient to satisfy the Corporation that such Soliciting Stockholder has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act in accordance with the following sentence. Upon request by the Corporation, if any Soliciting Stockholder provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act (or is not required to provide notice because the information required by Rule 14a-19(b) has been provided in a preliminary or definitive proxy statement previously filed by such Soliciting Stockholder), such Soliciting Stockholder shall deliver to the Corporation, no later than five Business Days prior to the applicable meeting, sufficient evidence in the judgment of the Board of Directors that it has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act.

(d) For purposes of Section 2 and Section 3 of this Article I, "public announcement" shall mean disclosure (i) in a press release reported by the Dow Jones News Service, Associated Press, Business Wire, PR Newswire or other widely circulated news or wire service or (ii) in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to the Exchange Act.

(e) Notwithstanding any other provision of these Bylaws, a stockholder shall also comply with all applicable requirements of state law and of the Exchange Act with respect to the matters set forth in Section 2 and Section 3 of this Article I. Nothing in these Bylaws shall be deemed to affect any right of a stockholder to request inclusion of a proposal in, or the right of the Corporation to omit a proposal from, any proxy statement filed by the Corporation with the Securities and Exchange Commission pursuant to Rule 14a-8 (or any successor provision) under the Exchange Act. Nothing in these Bylaws shall require disclosure of revocable proxies received by, or routine solicitation contacts made by or on behalf of, the stockholder or Stockholder Associated Person pursuant to a solicitation of proxies after the filing of a definitive proxy statement on Schedule 14A by such stockholder or Stockholder Associated Person.

(f) Notwithstanding anything in these Bylaws to the contrary, except as otherwise determined by the chair of the meeting, if the stockholder giving notice as provided for in Section 2 or

Section 3 of this Article I does not appear in person or by proxy at such annual or special meeting to present each nominee for election as a director or the proposed business, as applicable, such matter shall not be considered at the meeting.

**Section 5. Notice of Meetings; Adjournments.** Notice of all meetings of stockholders stating the hour, date and place of such meetings and, to the extent required by the Maryland General Corporation Law (the “MGCL”), the purpose for which the meeting has been called shall be given by the Secretary or an Assistant Secretary (or other person authorized by these Bylaws or by law) not less than 10 days nor more than 90 days before the meeting, unless any provisions of the MGCL prescribe a different period of notice, to each stockholder entitled to vote at such meeting or to each stockholder who, under the Charter, as amended from time to time or under these Bylaws, is entitled to such notice, in writing or by electronic transmission. If in writing, such notice shall be given by delivering such notice to such stockholder or by mailing it, postage prepaid, addressed to such stockholder at the address of such stockholder as it appears on the Corporation’s stock transfer books or by any other means permitted by Maryland law. Such notice shall be deemed to be delivered when hand delivered to such address or if mailed, when deposited in the mail so addressed, with postage prepaid. If transmitted electronically, such notice shall be deemed to be given when transmitted to the stockholder by an electronic transmission to any address or number of the stockholder at which the stockholder receives electronic transmissions. The Corporation may give a single notice to all stockholders who share an address, which single notice shall be effective as to any stockholder at such address, unless such stockholder objects to receiving such single notice or revokes a prior consent to receiving such single notice. Failure to give notice of any meeting to one or more stockholders, or any irregularity in such notice, shall not affect the validity of any meeting fixed in accordance with Section 2 or Section 3 of this Article I or the validity of any proceedings at any such meeting.

Subject to the provisions of Section 11 of this Article I, notice of all special meetings of stockholders shall be given in the same manner as provided for annual meetings of the stockholders, except that notice of all special meetings shall state in reasonable detail the purpose or purposes for which the meeting has been called.

Notice of an annual or special meeting of stockholders need not be given to a stockholder if a waiver of notice is given before or after such meeting by such stockholder, or if such stockholder attends such meeting in person or by proxy. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of stockholders need be specified in any waiver of notice.

Any previously scheduled meeting of the stockholders may be postponed or adjourned, and any special meeting of the stockholders may be postponed, adjourned or canceled by resolution of the Board of Directors upon public notice given prior to the date previously scheduled for such meeting of stockholders. When any annual or special meeting of stockholders is adjourned to another hour, date or place, notice need not be given of the adjourned meeting other than an announcement at the meeting at which the adjournment is taken of either (i) the hour, date and place to which the meeting is adjourned or (ii) the means by which the Corporation will announce the hour, date and place to which the meeting is adjourned; *provided, however*, that if the adjournment or postponement is to a date more than 120 days after the original record date, a new record date shall be fixed for the adjourned or postponed meeting, and notice of the adjourned or postponed meeting shall be given, as in the case of the original meeting, to each stockholder of record entitled to vote at such meeting or notice thereof.

**Section 6. Quorum.** Except as otherwise provided by law, stockholders entitled to cast a majority of all the votes entitled to be cast at the meeting, represented in person or by proxy, shall constitute a quorum at any annual or special meeting of stockholders; but if less than a quorum is present at a meeting, stockholders present or the chair of the meeting may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice, except as provided in Section 5 of this Article I. At such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed. The stockholders present at a duly constituted meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

**Section 7. Voting And Proxies.** At each annual or special meeting of stockholders, stockholders shall have one vote for each share of Class A Common Stock entitled to vote owned by them of record according to the stock transfer books of the Corporation, unless otherwise provided by law or by the Charter. At each annual or special meeting of stockholders, stockholders shall have ten (10) votes for each share of Class B Common Stock entitled to vote owned by them of record according to the stock transfer books of the Corporation, unless otherwise provided by law or by the Charter. Stockholders may vote either in person or by proxy, but no proxy shall be voted or acted upon after eleven months from its date, unless the proxy provides for a longer period. Proxies shall be (a) executed by the stockholder or by the stockholder's duly authorized agent in any manner permitted by applicable law, (b) compliant with Maryland law and these Bylaws and (c) filed in accordance with the procedures established by the Corporation. A proxy purporting to be executed by or on behalf of a stockholder shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger.

**Section 8. Action at Meeting.** When a quorum is present, any matter before any annual or special meeting of stockholders other than the election of directors shall be decided by vote of the holders of a majority of the shares of stock voting on such matter, except where a larger vote is required by law, by the Charter or by these Bylaws. Any election of directors by stockholders shall be determined by a plurality of the votes cast, except where a larger vote is required by law, by the Charter or by these Bylaws. The Corporation shall not directly or indirectly vote any shares of its own stock except as to shares which it holds in a fiduciary capacity or except as otherwise permitted by law.

**Section 9. Inspectors of Election.** The Board of Directors by resolution may appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives, to act at a meeting of stockholders and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed by the Board of Directors to act or is able to act at a meeting of stockholders, the chair of the meeting may appoint one or more inspectors to act at the meeting. Each inspector, before discharging such inspector's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. Except as otherwise provided by the chair of the meeting, the inspectors, if any, shall (a) determine the number of shares of stock represented at the meeting, in person or by proxy, and the validity and effect of proxies, (b) receive and tabulate all votes, ballots or consents, (c) report such tabulation to the chair of the meeting, (d) hear and determine all challenges and questions arising in connection with the right to vote, and (e) do such acts as are proper to fairly conduct the election or vote. Each such report shall be in writing and signed by the inspector or by a majority of them if there is more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or

inspectors on the number of shares represented at the meeting and the results of the voting shall be prima facie evidence thereof. The chair of the meeting shall fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

**Section 10. Organization and Conduct.** Every meeting of stockholders shall be conducted by an individual appointed by the Board of Directors to be chair of the meeting or, in the absence of such appointment or appointed individual, by the chair of the board or, in the case of a vacancy in the office or absence of the chair of the board, by one of the following individuals present at the meeting in the following order: the lead independent director, if there is one, the chief executive officer, the president, the vice presidents in their order of rank and, within each rank, in their order of seniority, or, in the absence of such officers, a chair chosen by the stockholders by the vote of a majority of the votes cast by stockholders present in person or by proxy. The secretary or, in the case of a vacancy in the office or absence of the secretary, an assistant secretary or an individual appointed by the Board of Directors or the chair of the meeting shall act as secretary. Even if present at the meeting, the person holding the office named herein may delegate to another person the power to act as chair or secretary of the meeting. The order of business and all other matters of procedure at any meeting of stockholders shall be determined by the chair of the meeting. The chair of the meeting may prescribe such rules, regulations and procedures and take such action as, in the discretion of the chair and without any action by the stockholders, are appropriate for the proper conduct of the meeting, including, without limitation, (a) restricting admission to the time set for the commencement of the meeting; (b) limiting attendance or participation at the meeting to stockholders of record of the Corporation, their duly authorized proxies and such other individuals as the chair of the meeting may determine; (c) recognizing speakers at the meeting and determining when and for how long speakers and any individual speaker may address the meeting; (d) determining when and for how long the polls should be opened and when the polls should be closed and when announcement of the results should be made; (e) maintaining order and security at the meeting; (f) removing any stockholder or any other individual who refuses to comply with meeting procedures, rules or guidelines as set forth by the chair of the meeting; (g) concluding a meeting or recessing or adjourning the meeting, whether or not a quorum is present, to a later date and time and at a place either (i) announced at the meeting or (ii) provided at a future time through means announced at the meeting; and (h) complying with any state and local laws and regulations concerning safety and security. Unless otherwise determined by the chair of the meeting, meetings of stockholders shall not be required to be held in accordance with any rules of parliamentary procedure.

**Section 11. Special Meetings of Stockholders.**

(a) General. Except as otherwise required by law and subject to the rights of the holders of any shares or series of stock having a preference over the common stock as to dividends, or upon liquidation, special meetings of the holders of common stock of the Corporation may be called only by (i) the Board of Directors pursuant to a resolution approved by the affirmative vote of a majority of the directors then in office, (ii) the Chair of the Board of Directors, (iii) the Chief Executive Officer, (iv) the President of the Corporation or (v) the Secretary of the Corporation to act on any matter that may properly be considered at a meeting of stockholders upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast on such matter at such meeting (the "*Special Meeting Percentage*") that complies with the requirements of Section 11(b) of this Article I. Except as provided in Section 11(b)(iv) of this Article I, a special meeting of stockholders shall be held on the date and at the time and place set by the Board of Directors, the Chair of the Board of Directors, the Chief Executive Officer or the President of the Corporation, whoever has called the meeting.

(b) Stockholder-Requested Special Meetings. (i) Any stockholder of record seeking to request a special meeting shall, by sending written notice to the Secretary (the “*Record Date Request Notice*”) by registered mail, return receipt requested, request the Board of Directors to fix a record date to determine the stockholders entitled to request a special meeting (the “*Request Record Date*”). The Record Date Request Notice shall set forth the purpose of the meeting and the matters proposed to be acted on at it, shall be signed by one or more stockholders of record as of the date of signature (or their agents duly authorized in a writing accompanying the Record Date Request Notice), shall bear the date of signature of each such stockholder (or such agent) and shall set forth all information relating to each individual whom the stockholder proposes to nominate for election or reelection as a director and each matter proposed to be acted on at the meeting that would be required to be disclosed in connection with the solicitation of proxies for the election of directors or the election of each such individual, as applicable, in an election contest (even if an election contest is not involved), or would otherwise be required in connection with such a solicitation, in each case pursuant to Regulation 14A (or any successor provision) under the Exchange Act. Upon receiving the Record Date Request Notice, the Board of Directors may fix a Request Record Date. The Request Record Date shall not precede and shall not be more than ten days after the close of business on the date on which the resolution fixing the Request Record Date is adopted by the Board of Directors. If the Board of Directors, within ten days after the date on which a valid Record Date Request Notice is received, fails to adopt a resolution fixing the Request Record Date, the Request Record Date shall be the close of business on the tenth day after the first date on which a Record Date Request Notice is received by the Secretary.

(ii) In order for any stockholder to request a special meeting to act on any matter that may properly be considered at a meeting of stockholders, one or more written requests for a special meeting (collectively, the “*Special Meeting Request*”) signed by stockholders of record (or their agents duly authorized in a writing accompanying the request) as of the Request Record Date entitled to cast not less than the Special Meeting Percentage shall be delivered to the Secretary. In addition, the Special Meeting Request shall (A) set forth the purpose of the meeting and the matters proposed to be acted on at it (which shall be limited to those lawful matters set forth in the Record Date Request Notice received by the Secretary), (B) bear the date of signature of each such stockholder (or such agent) signing the Special Meeting Request, (C) set forth (I) the name and address, as they appear in the Corporation’s books, of each stockholder signing such request (or on whose behalf the Special Meeting Request is signed), (II) the class, series and number of all shares of stock of the Corporation which are owned (beneficially or of record) by each such stockholder and (III) the nominee holder for, and number of, shares of stock of the Corporation owned beneficially but not of record by such stockholder, (D) be sent to the Secretary by registered mail, return receipt requested, and (E) be received by the Secretary within 60 days after the Request Record Date. Any requesting stockholder (or agent duly authorized in a writing accompanying the revocation of the Special Meeting Request) may revoke that stockholder’s request for a special meeting at any time by written revocation delivered to the Secretary.

(iii) The Secretary shall inform the requesting stockholders of the reasonably estimated cost of preparing and mailing or delivering the notice of the meeting (including the Corporation’s proxy materials). The Secretary shall not be required to call a special meeting upon stockholder request and such meeting shall not be held unless, in addition to the documents required by Section 11(b)(ii) of this Article I, the Secretary receives on behalf of the Corporation payment of such reasonably estimated cost prior to the preparation and mailing or delivery of such notice of the meeting.

(iv) In the case of any special meeting called by the Secretary upon the request of stockholders (a “*Stockholder-Requested Meeting*”), such meeting shall be held at such place, date and time as may be designated by the Board of Directors; *provided*, however, that the date of any Stockholder-Requested Meeting shall be not more than 90 days after the record date for such meeting (the “*Meeting Record Date*”); and *further provided* that if the Board of Directors fails to designate, within ten days after the date that a valid Special Meeting Request is actually received by the Secretary (the “*Delivery Date*”), a date and time for a Stockholder-Requested Meeting, then such meeting shall be held at 2:00 p.m., local time, on the 90<sup>th</sup> day after the Meeting Record Date or, if such 90<sup>th</sup> day is not a Business Day (as defined below), on the first preceding Business Day; and *further provided* that if the Board of Directors fails to designate a place for a Stockholder-Requested Meeting within ten days after the Delivery Date, then such meeting shall be held at the principal executive office of the Corporation. In fixing a date for a Stockholder-Requested Meeting, the Board of Directors may consider such factors as it deems relevant, including, without limitation, the nature of the matters to be considered, the facts and circumstances surrounding any request for the meeting and any plan of the Board of Directors to call an annual meeting or a special meeting. In the case of any Stockholder-Requested Meeting, if the Board of Directors fails to fix a Meeting Record Date that is a date within 30 days after the Delivery Date, then the close of business on the 30<sup>th</sup> day after the Delivery Date shall be the Meeting Record Date. The Board of Directors may revoke the notice for any Stockholder-Requested Meeting in the event that the requesting stockholders fail to comply with the provisions of Section 11(b)(iii) of this Article I.

(v) If written revocations of the Special Meeting Request have been delivered to the Secretary and the result is that stockholders of record (or their agents duly authorized in writing), as of the Request Record Date, entitled to cast less than the Special Meeting Percentage have delivered, and not revoked, requests for a special meeting on the matter to the Secretary: (A) if the notice of meeting has not already been delivered, the Secretary shall refrain from delivering the notice of the meeting and send to all requesting stockholders who have not revoked such requests written notice of any revocation of a request for a special meeting on the matter, or (B) if the notice of meeting has been delivered and if the Secretary first sends to all requesting stockholders who have not revoked requests for a special meeting on the matter written notice of any revocation of a request for the special meeting and written notice of the Corporation’s intention to revoke the notice of the meeting or for the chair of the meeting to adjourn the meeting without action on the matter, (I) the Secretary may revoke the notice of the meeting at any time before ten days before the commencement of the meeting or (II) the chair of the meeting may call the meeting to order and adjourn the meeting without acting on the matter. Any request for a special meeting received after a revocation by the Secretary of a notice of a meeting shall be considered a request for a new special meeting.

(vi) The Chair of the Board of Directors, the Chief Executive Officer, the President or the Board of Directors may appoint regionally or nationally recognized independent inspectors of elections to act as the agent of the Corporation for the purpose of promptly performing a ministerial review of the validity of any purported Special Meeting Request received by the Secretary. For the purpose of permitting the inspectors to perform such review, no such purported Special Meeting Request shall be deemed to have been received by the Secretary until the earlier of (A) five Business Days after actual receipt by the Secretary of such purported request and (B) such date as the independent inspectors certify to the Corporation that the valid requests received by the Secretary represent, as of the Request Record Date, stockholders of record entitled to cast not less than the Special Meeting Percentage. Nothing contained in this Section 11(b)(vi) shall in any way be construed to suggest or imply that the Corporation or any stockholder shall not be entitled to contest the validity of any request, whether during or after such five Business Day period, or to take any other action (including, without limitation, the commencement,

prosecution or defense of any litigation with respect thereto, and the seeking of injunctive relief in such litigation).

(vii) For purposes of these Bylaws, "Business Day" shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in the State of Maryland are authorized or obligated by law or executive order to close.

## **ARTICLE II DIRECTORS**

**Section 1. Powers.** All of the powers of the Corporation shall be exercised by or under the direction of the Board of Directors except as otherwise provided by the Charter or required by law.

**Section 2. Number and Terms.** The Board of Directors shall establish and may increase or decrease the number of directors of the Corporation, *provided*, that the number thereof shall never be less than the minimum number permitted under the MGCL nor more than 15, and *further provided*, that the tenure of office of a director shall not be affected by any decrease in the number of directors. The directors shall be elected at the annual meeting of the stockholders and each director shall be elected to serve for a term of one year and until such director's successor shall be elected and shall qualify or until such director's earlier resignation or removal.

**Section 3. Director Nominations.** Nomination of candidates for election as directors of the Corporation at any annual or special meeting of stockholders may be made (a) by, or at the direction of, a majority of the Board of Directors or (b) by any stockholder in accordance with Section 2 or Section 3 of Article I, as applicable. Only persons nominated in accordance with the procedures set forth in these Bylaws shall be eligible for election as directors at an annual or special meeting of stockholders.

**Section 4. Qualification.** No director need be a stockholder of the Corporation. A director shall be an individual at least 21 years of age who is not under legal disability.

**Section 5. Vacancies.** Any vacancy occurring on the Board of Directors, including any vacancy created by reason of an increase in the number of directors, may be filled in the manner provided in the Charter.

**Section 6. Resignation.** Any director may resign at any time by giving notice to the Board of Directors, effective upon execution and delivery to the Corporation of such notice or upon any future date specified in the notice, unless the resignation otherwise provides.

**Section 7. Regular Meetings.** A regular annual meeting of the Board of Directors may be held, without other notice than this Bylaw, on the same date and at the same place as the annual meeting of stockholders following the close of such meeting of stockholders. Other regular meetings of the Board of Directors may be held at such hour, date and place as the Board of Directors may by resolution from time to time determine without other notice than such resolution.

**Section 8. Special Meetings.** Special meetings of the Board of Directors may be called, orally or in writing, by or at the request of a majority of the directors, the Chair of the Board, or the Chief Executive Officer. The person calling any such special meeting of the Board of Directors may fix the hour, date and place thereof.

**Section 9. Notice of Special Meetings.** Notice of the hour, date and place of all special meetings of the Board of Directors shall be given to each director by the Secretary or an Assistant Secretary, or in case of the death, absence, incapacity or refusal of such persons, by the Chair of the Board or the Chief Executive Officer or such other officer designated by the Chair of the Board or the Chief Executive Officer. Notice of any special meeting of the Board of Directors shall be given to each director in person or by telephone, electronic mail, facsimile transmission or by telegram sent to such director's business or home address at least 24 hours in advance of the meeting, or by notice mailed to such director's business or home address at least 48 hours in advance of the meeting. Such notice shall be deemed to be delivered when hand delivered to such address, read to such director by telephone, deposited in the mail so addressed, with postage thereon prepaid if mailed, upon transmission of the message by electronic mail, upon completion of transmission of a facsimile message and receipt of a completed answer back indicating receipt or when delivered to the telegraph company if sent by telegram.

When any Board of Directors meeting, either regular or special, is adjourned for more than 30 days, notice of the adjourned meeting shall be given as in the case of an original meeting. It shall not be necessary to give any notice of the hour, date or place of any meeting adjourned for 30 days or less or of the business to be transacted at such meeting, other than an announcement at the meeting at which such adjournment is taken of the hour, date and place to which the meeting is adjourned.

A waiver of notice given before or after a meeting by a director and filed with the records of the meeting shall be deemed to be equivalent to notice of the meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting. Except as otherwise required by law, by the Charter or by these Bylaws, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

**Section 10. Quorum.** At any meeting of the Board of Directors, a majority of the directors then in office shall constitute a quorum for the transaction of business, but if less than a quorum is present at a meeting, a majority of the directors present may adjourn the meeting from time to time, and the meeting may be held as adjourned without further notice, except as provided in this Section 10. Any business which might have been transacted at the meeting as originally noticed may be transacted at such adjourned meeting at which a quorum is present.

**Section 11. Action at Meeting.** At any meeting of the Board of Directors at which a quorum is present, a majority of the directors present may take any action on behalf of the Board of Directors, unless otherwise required by law, by the Charter or these Bylaws.

**Section 12. Action by Consent.** Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent thereto in writing or by electronic transmission. Such unanimous consent shall be filed with the records of the proceedings of the Board of Directors and shall be treated for all purposes as a vote at a meeting of the Board of Directors.

**Section 13. Manner of Participation.** Members of the Board of Directors may participate in meetings of the Board by means of conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

**Section 14. Compensation of Directors.** Directors shall receive compensation for their services as shall be determined by a majority of the Board of Directors, *provided* that directors who are serving the Corporation as officers or employees and who receive compensation for their services as such (“*Employee Directors*”) shall not receive any salary or other compensation for their services as directors of the Corporation; *provided, however*, that such *Employee Directors* may be paid their reasonable expenses incurred as a director.

**Section 15. Chair of the Board.** The Chair of the Board shall preside at all meetings of the Board of Directors. In the absence of the Chair of the Board, a director selected by a majority of the directors present shall preside at such meeting of the Board of Directors. The Chair of the Board shall preside, when present, at all meetings of the stockholders.

### ARTICLE III COMMITTEES

**Section 1. Number, Tenure and Qualification.** The Board of Directors may appoint from among its members an Audit Committee, a Compensation Committee and a Corporate Governance Committee, each composed of at least two directors, and other committees, each composed of one or more directors, to serve at the pleasure of the Board of Directors; *provided*, that the membership of the Compensation Committee, Audit Committee and the Corporate Governance Committee shall consist only of Independent Directors. An individual shall be deemed to be an “Independent Director” hereunder if such individual qualifies as such according to the rules and regulations of the principal exchange or market on which the Corporation’s common stock is listed or quoted.

**Section 2. Powers.** The directors may delegate to committees appointed under Section 1 of this Article III any of the powers of the Board of Directors, except as prohibited by law.

**Section 3. Meetings.** Notice of committee meetings shall be given in the same manner as notice for special meetings of the Board of Directors. One-third, but not less than two (except for one-member committees), of the members of any committee shall be present in person at any meeting of such committee in order to constitute a quorum for the transaction of business at such meeting, and the act of a majority of the committee members who are present shall be the act of such committee. The Board of Directors may designate a chair (or two or more co-chairs) of any committee, and such chair (or any such co-chairs) or any two members of any committee (except for one-member committees) may fix the time and place of its meetings unless the Board shall otherwise provide. In the absence or disqualification of any member of any such committee, the members thereof present at any meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another director to act at the meeting in the place of such absent or disqualified members.

**Section 4. Manner of Participation.** Members of a committee of the Board of Directors may participate in a meeting by means of conference telephone or other communications equipment if all persons participating in the meeting can hear each other at the same time. Participation in a meeting by these means shall constitute presence in person at the meeting.

**Section 5. Informal Action by Committees.** Any action required or permitted to be taken at any meeting of a committee of the Board of Directors may be taken without a meeting if all members of the committee consent thereto in writing or by electronic transmission. Such unanimous consent shall be

filed with the records of the proceedings of such committee and shall be treated for all purposes as a vote at a meeting of a committee.

**Section 6. Changes.** Subject to the provisions hereof, the Board of Directors shall have the power at any time to change the membership of any committee, to fill all vacancies, to designate alternate members to replace any absent or disqualified member, to dissolve any such committee or to withdraw or add to any powers previously delegated to a committee.

#### **ARTICLE IV OFFICERS**

**Section 1. Enumeration.** The officers of the Corporation shall consist of a Chair of the Board (who must be a director), a Chief Executive Officer, a President, a Secretary and a Treasurer and such other officers, including without limitation a Chief Operating Officer, a Chief Administrative Officer, a Chief Legal Officer, a Chief Financial Officer, a Chief Accounting Officer, one or more Vice Presidents (including Executive Vice Presidents or Senior Vice Presidents), Assistant Vice Presidents, Assistant Treasurers and Assistant Secretaries, as the Board of Directors or the Chief Executive Officer may determine.

**Section 2. Election and Appointment.** At the regular annual meeting of the Board of Directors following the annual meeting of stockholders, the Board of Directors shall elect the Chair, the Chief Executive Officer, the President, the Treasurer and the Secretary. Other officers may be appointed by the Board of Directors at such regular annual meeting of the Board of Directors or at any other regular or special meeting, or other officers may be appointed by the Chief Executive Officer.

**Section 3. Qualification.** No officer need be a stockholder or a director. Any person may occupy more than one office of the Corporation at any time except the offices of President and Vice President. Any officer may be required by the Board of Directors to give bond, at the Corporation's expense, for the faithful performance of such officer's duties in such amount and with such sureties as the Board of Directors may determine.

**Section 4. Tenure.** Except as otherwise provided by the Charter or by these Bylaws, each of the officers of the Corporation shall hold office until the annual meeting of the Board of Directors following the next annual meeting of stockholders and until such officer's successor is elected and qualified or until such officer's earlier resignation or removal. Election or appointment of an officer, employee or agent shall not of itself create contract rights. The Board of Directors may, however, authorize the Corporation to enter into an employment contract with any officer in accordance with law, but no such contract right shall prohibit the right of the Board of Directors to remove any officer at any time in accordance with Section 6 of this Article IV.

**Section 5. Resignation.** Any officer may resign by delivering such officer's resignation to the Corporation addressed to the Chief Executive Officer or the Secretary, and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. Such resignation shall be without prejudice to the contract rights, if any, of the Corporation.

**Section 6. Removal.** The Board of Directors may remove any officer by the affirmative vote of a majority of the directors then in office; *provided*, that the Chief Executive Officer also shall have the

power to remove any officer that the Chief Executive Officer elects. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.

**Section 7. Absence or Disability.** In the event of the absence or disability of any officer, the Board of Directors may designate another officer to act temporarily in place of such absent or disabled officer.

**Section 8. Chair.** The Chair shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

**Section 9. Chief Executive Officer.** The Chief Executive Officer shall report to the Chair and, subject to the direction of the Board of Directors and the Chair, have general supervision and control of the Corporation's business and in the absence of the Chair of the Board shall preside, when present, at all meetings of the stockholders.

**Section 10. President.** In the absence of the Chair of the Board and the Chief Executive Officer, the President shall preside, when present, at all meetings of the stockholders. The President shall have such powers and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

**Section 11. Chief Operating Officer, Chief Administrative Officer, Chief Legal Officer, Chief Financial Officer and Chief Accounting Officer.** Any Chief Operating Officer, Chief Administrative Officer, Chief Legal Officer, Chief Financial Officer or Chief Accounting Officer shall have such powers and shall perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

**Section 12. Vice Presidents and Assistant Vice Presidents.** Any Vice President (including any Executive Vice President or Senior Vice President) and Assistant Vice President shall have such powers and shall perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate. In the absence of the President or in the event of a vacancy in such office, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated at the time of their election or, in the absence of any designation, then in the order of their election) shall perform the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions upon the President; and shall perform such other duties as from time to time may be assigned to such officer by the Chief Executive Officer, the President or the Board of Directors. The directors may designate one or more Vice Presidents as Executive Vice President, Senior Vice President or as Vice President for particular areas of responsibility.

**Section 13. Treasurer and Assistant Treasurers.** The Chief Financial Officer, if one is elected, shall be the Treasurer, unless the Board of Directors shall elect another officer to be the Treasurer. The Treasurer shall, subject to the direction of the Board of Directors and except as the Board of Directors or the Chief Executive Officer may otherwise provide, have general charge of the financial affairs of the Corporation and shall cause to be kept accurate books of account. The Treasurer shall have custody of all funds, securities, and valuable documents of the Corporation. The Treasurer shall have such other duties and powers as may be designated from time to time by the Board of Directors or the Chief Executive Officer. In the absence of a Chief Financial Officer, the office of the Treasurer shall be deemed to be the office of the Chief Financial Officer of the Corporation whenever the signature of the Chief Financial

Officer is required on any document or instrument, by the laws of the United States or any state, or elsewhere in the Bylaws, and the Treasurer shall have authority to affix the Treasurer's signature in such capacity. Any Treasurer or Assistant Treasurer shall have such powers and perform such duties as the Board of Directors or the Chief Executive Officer may from time to time designate.

**Section 14. Secretary and Assistant Secretaries.** The Secretary shall record all the proceedings of the meetings of the stockholders and the Board of Directors (including committees of the Board) in books kept for that purpose. In the absence of the Secretary from any such meeting, a temporary secretary chosen at the meeting shall record the proceedings thereof. The Secretary shall have charge of the stock ledger (which may, however, be kept by any transfer or other agent of the Corporation). The Secretary shall have custody of the seal of the Corporation, and the Secretary, or an Assistant Secretary, shall have authority to affix it to any instrument requiring it, and, when so affixed, the seal may be attested by the signature of the Secretary or an Assistant Secretary. The Secretary shall have such other duties and powers as may be designated from time to time by the Board of Directors or the Chief Executive Officer. In the absence of the Secretary, any Assistant Secretary may perform the duties and responsibilities of the Secretary.

Any Assistant Secretary shall have such powers and perform such duties as the Secretary, Board of Directors or the Chief Executive Officer may from time to time designate.

**Section 15. Salaries.** The salaries and other compensation of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that such officer is also a director of the Corporation. The Board of Directors may authorize a committee of the Board of Directors or other officers of the Corporation to fix the salaries and other compensation of the officers.

**Section 16. Other Powers and Duties.** Subject to these Bylaws and to such limitations as the Board of Directors may from time to time prescribe, the officers of the Corporation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as from time to time may be conferred by the Board of Directors or the Chief Executive Officer.

## **ARTICLE V STOCK**

**Section 1. Certificates of Stock.** Unless otherwise provided by the Board of Directors or by law, each stockholder shall be entitled to a certificate of the stock of the Corporation in such form as may from time to time be prescribed by the Board of Directors. Such certificate shall bear the seal of the Corporation, if one has been adopted, and shall be signed and countersigned by any officer of the Corporation permitted by the MGCL. The seal of the Corporation, if one has been adopted, and any and all signatures on the certificate may be a facsimile, including those of any transfer agent or registrar. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the time of its issue. Every certificate for shares of stock which are subject to any restriction on transfer and every certificate issued when the Corporation is authorized to issue more than one class or series of stock shall contain such legend with respect thereto as is required by law.

**Section 2. Transfers.** Subject to any restrictions on transfer and unless otherwise provided by the Board of Directors, shares of stock may be transferred only on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate therefor properly endorsed or accompanied by an assignment or power of attorney properly executed, with transfer stamps (if necessary) affixed, and with such proof of the authenticity of signature as the Corporation or its transfer agent may reasonably require.

**Section 3. Record Holders.** Except as may otherwise be required by law, by the Charter or by these Bylaws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect thereto, regardless of any transfer, pledge or other disposition of such stock, until the shares have been transferred on the books of the Corporation in accordance with the requirements of these Bylaws.

It shall be the duty of each stockholder to notify the Corporation or its transfer agent of such stockholder's post office address and any changes thereto.

**Section 4. Record Date.** In order that the Corporation may determine the stockholders entitled to receive notice of or to vote at any meeting of stockholders or any adjournments thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than 90 days nor less than 10 days before the date of such meeting, nor more than 90 days prior to any other action. In such case, only stockholders of record on such record date shall be so entitled, notwithstanding any transfer of stock on the stock transfer books of the Corporation after the record date.

If no record date is fixed:

(a) the record date for determining stockholders entitled to receive notice of or to vote at a meeting of stockholders shall be the later of (i) the close of business on the day on which notice is mailed or (ii) the 30th day before the meeting; and

(b) the record date for determining stockholders entitled to receive payment of a dividend or an allotment of any rights shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

**Section 5. Replacement of Certificates.** In case of the alleged loss, destruction or mutilation of a certificate of stock, a duplicate certificate may be issued in place thereof upon such terms as the Corporation or its transfer agent may prescribe.

**Section 6. Share Ledger.** The Corporation shall maintain at its principal office or at the office of its counsel, accountants or transfer agent, an original or duplicate share ledger containing the name and address of each record stockholder and the number of shares of each class held by such stockholder.

**Section 7. Transfer Agents and Registrars.** The Corporation may serve as the transfer agent and registrar of the shares of stock, or the Board of Directors may, in its discretion, appoint one or more responsible banks, trust companies or other entity as the Board of Directors may deem advisable, from time to time, to act as transfer agents and registrars of shares of stock. No certificate for shares of stock shall be valid until countersigned by the transfer agent and registered by the registrar.

**Section 8. Stockholders' Addresses.** Every stockholder or transferee shall furnish the Secretary or a transfer agent with the address to which notice of meetings and all other notices may be served upon or mailed to such stockholder or transferee, and in default thereof, such stockholder or transferee shall not be entitled to service or mailing of any such notice.

**Section 9. Repurchase of Shares of Stock.** The Corporation may purchase its shares of stock and invest its assets in its own shares of stock, *provided* that in each case the consent of the Board of Directors shall have been obtained.

## **ARTICLE VI INDEMNIFICATION**

As used in this Article VI, any word or words that are defined in Section 2-418 of the Corporations and Associations Article of the Annotated Code of Maryland, as amended from time to time (the "*Indemnification Provision of the Code*"), shall have the same meanings as those words have in the Indemnification Provision of the Code. The Corporation shall indemnify any present or former director or officer of the Corporation, or person who has agreed to become a director or officer, or any person who, at the request of the Corporation serves another corporation or other enterprise as a director, officer, employee or agent against all expenses, liabilities and losses reasonably incurred or suffered by that person in connection with that status and to pay or reimburse their reasonable expenses in advance of final disposition of a proceeding. The Corporation may indemnify any employee or agent against all expenses, liabilities and losses reasonably incurred or suffered by that person in connection with that status and to pay or reimburse their reasonable expenses in advance of final disposition of a proceeding.

## **ARTICLE VII MISCELLANEOUS PROVISIONS**

**Section 1. Fiscal Year.** The fiscal year of the Corporation shall be fixed, and shall be subject to change, by the Board of Directors.

**Section 2. Seal.** The seal of the Corporation shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and the year of its organization. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced.

**Section 3. Execution of Instruments.** All deeds, leases, transfers, contracts, bonds, notes and other obligations to be entered into by the Corporation in the ordinary course of its business without director action may be executed on behalf of the Corporation by the Chair of the Board, the Chief Executive Officer, the President or the Treasurer or any other officer, employee or agent of the Corporation as the Board of Directors may authorize.

**Section 4. Voting of Securities.** Unless the Board of Directors otherwise provides, the Chair of the Board, the Chief Executive Officer, the President or the Treasurer may waive notice of and act on behalf of this Corporation, or appoint another person or persons to act as proxy or attorney in fact for this Corporation with or without discretionary power and/or power of substitutions at any meeting of stockholders or stockholders of any other corporation or organization, any of whose securities are held by this Corporation.

**Section 5. Resident Agent.** The Board of Directors may appoint a resident agent upon whom legal process may be served in any action or proceeding against the Corporation.

**Section 6. Corporate Records.** The original or attested copies of the Charter, Bylaws and records of all meetings of the incorporators, stockholders and the Board of Directors and the stock transfer books, which shall contain the names of all stockholders, their record addresses and the amount of stock held by each, may be kept outside the State of Maryland and shall be kept at the principal office of the Corporation, at the office of its counsel or at an office of its transfer agent.

**Section 7. Amendments.** These Bylaws may be altered, amended or repealed, in whole or in part, and new Bylaws may be adopted by the Board of Directors. In addition, these Bylaws may be altered, amended or repealed, in whole or in part, and new Bylaws may be adopted by the stockholders of the Corporation, without the approval of the Board of Directors, by the affirmative vote of a majority of the votes entitled to be cast on the matter by stockholders entitled to vote generally in the election of directors.

**Section 8. Offices.** The principal office of the Corporation within the State of Maryland shall be located at such place as the Board of Directors may from time to time designate. The Corporation may have additional offices, including a principal executive office, at such place or places both within and without the State of Maryland as the Board of Directors may from time to time determine or the business of the Corporation may require.

**Section 9. Charter.** All references to the Charter shall include any amendments and supplements thereto.

**Section 10. Waiver of Notice.** Whenever any notice is required to be given pursuant to the Charter or Bylaws or pursuant to applicable law, a waiver thereof, given by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at nor the purpose of any meeting need be set forth in the waiver of notice, unless specifically required by statute. The attendance of any person at any meeting shall constitute a waiver of notice of such meeting, except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**Section 11. Control Share Acquisition Statute.** Notwithstanding any other provision of these Bylaws or any contrary provision of law, the Maryland Control Share Acquisition Statute, found in Title 3, subtitle 7 of the MGCL, as amended from time to time, or any successor statute thereto shall not apply to any acquisition of securities of the Corporation.

TECHNICAL MODIFICATION

Dated as of February 24, 2023

to

AMENDED & RESTATED  
CREDIT AGREEMENT

Dated as of March 8, 2019

THIS TECHNICAL MODIFICATION (this "Modification") is made as of February 24, 2023 by and between Under Armour, Inc., a Maryland corporation (the "Company") and JPMorgan Chase Bank, N.A., as Administrative Agent (the "Administrative Agent"), under that certain Amended and Restated Credit Agreement dated as of March 8, 2019 by and among the Company, the Foreign Subsidiary Borrowers from time to time party thereto (together with the Company, the "Borrowers"), the Lenders and the Administrative Agent (as amended on May 12, 2020, May 17, 2021 and December 3, 2021, and as further amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

WHEREAS, pursuant to Section 9.02(f) of the Credit Agreement, the Administrative Agent may, with the consent of the Borrowers only, amend, modify or supplement the Credit Agreement to cure any ambiguity, omission, mistake, defect or inconsistency in the Credit Agreement;

WHEREAS, the definition of "Consolidated Total Indebtedness" set forth in the Credit Agreement excludes cash and Cash Equivalents maintained in the People's Republic of China from the cash and Cash Equivalents that can be deducted (or "netted") from the Indebtedness of the Company and its Subsidiaries pursuant to such definition; and

WHEREAS, pursuant to and in accordance with Section 9.02(f) of the Credit Agreement, the Company (which, as of the date of hereof, constitutes the only Borrower under the Credit Agreement) and the Administrative Agent have agreed to modify the Credit Agreement as set forth in Section 1 of this Modification in order to cure an ambiguity as to whether or not the Hong Kong Special Administrative Region of the People's Republic of China is included in the People's Republic of China for purposes of such definition.

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Modification to the Credit Agreement. The parties hereto agree that references to the People's Republic of China set forth in the definition of "Consolidated Total Indebtedness" in the Credit Agreement shall be deemed to exclude the Hong Kong Special Administrative Region of the People's Republic of China.

2. Conditions of Effectiveness. The effectiveness of this Modification (the “Modification Effective Date”) is subject to the satisfaction of the conditions precedent that the Administrative Agent shall have received:

(a) counterparts of this Modification duly executed by the Company and the Administrative Agent; and

(b) payment of the Administrative Agent’s and its affiliates’ fees and reasonable out-of-pocket expenses (including reasonable out-of-pocket fees and expenses of counsel for the Administrative Agent) in connection with this Modification and the other Loan Documents, and for which invoices have been presented at least one (1) Business Day prior to the Modification Effective Date.

3. Representations and Warranties of the Company. The Company hereby represents and warrants as follows:

(a) This Modification and the Credit Agreement as modified hereby constitute legal, valid and binding obligations of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, liquidation, reconstruction, moratorium or other laws affecting creditors’ rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

(b) As of the date hereof and after giving effect to the terms of this Modification, (i) no Default or Event of Default has occurred and is continuing and (ii) the representations and warranties of the Borrowers set forth in the Credit Agreement are true and correct in all material respects (or in all respects in the case of any representation or warranty qualified by materiality or Material Adverse Effect); provided that any such representation or warranty that by its express terms is made as of a specific date is true and correct in all material respects (or in all respects if such representation or warranty is qualified by materiality or Material Adverse Effect) as of such specific date.

4. Reference to and Effect on the Credit Agreement.

(a) Upon the effectiveness hereof, each reference to the Credit Agreement in the Credit Agreement or any other Loan Document shall mean and be a reference to the Credit Agreement as modified hereby.

(b) The Credit Agreement and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

(c) Except with respect to the subject matter hereof, the execution, delivery and effectiveness of this Modification shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, nor constitute a waiver of any provision of the Credit Agreement or any other documents, instruments and agreements executed and/or delivered in connection therewith.

(d) It is the intent of the parties hereto that this Modification not, and this Modification shall not, constitute a novation of the obligations and liabilities of the parties under the Credit Agreement or be deemed to evidence or constitute full repayment of such obligations and liabilities, but that this Modification modify the Credit Agreement and that the Credit Agreement, as so modified, re-evidence the obligations and liabilities of the Borrowers outstanding thereunder, which shall be payable in accordance with the terms thereof.

(e) This Modification is a Loan Document.

5. Governing Law. This Modification shall be construed in accordance with and governed by the law of the State of New York.

6. Headings. Section headings in this Modification are included herein for convenience of reference only and shall not constitute a part of this Modification for any other purpose.

7. Counterparts. This Modification may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Modification and/or any document to be signed in connection with this Modification and the transactions contemplated hereby shall be deemed to include Electronic Signatures (as defined below), deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. As used herein, “Electronic Signatures” means any electronic symbol or process attached to, or associated with, any contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record.

[Signature Pages Follow]

IN WITNESS WHEREOF, this Modification has been duly executed as of the day and year first above written.

UNDER ARMOUR, INC.,  
as a Borrower

By: /s/ David Bergman

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Name: David Bergman

Title: Chief Financial Officer

Signature Page to Technical Modification to  
Amended and Restated Credit Agreement dated as of March 8, 2019  
Under Armour, Inc.

JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent

By: /s/ James A. Knight  
Name: James A. Knight  
Title: Executive Director

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Signature Page to Technical Modification to  
Amended and Restated Credit Agreement dated as of March 8, 2019  
Under Armour, Inc.

**UNDER ARMOUR, INC.**  
**EXECUTIVE CHANGE IN CONTROL SEVERANCE PLAN**  
**Amendment and Restatement Effective as of February 7, 2023**

**SECTION 1.**  
**PURPOSE OF THE PLAN**

The Human Capital and Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Under Armour, Inc. (the “Company”) recognizes the importance of providing certain employees with severance pay and benefits in the event of a Qualifying Termination (as defined in Section 2).

Therefore, in order to fulfill the above purpose, this amendment and restatement of the Executive Change in Control Severance Plan as set forth herein was adopted by the Committee to be effective as of February 7, 2023.

**SECTION 2.**  
**DEFINITIONS**

Certain terms used herein have the definitions given to them in the first place in which they are used. As used herein, the following words and phrases shall have the following respective meanings:

2.1 “Affiliate” means any entity controlled by, controlling or under common control with the Company.

2.2 “Annual Base Salary” means the annual base salary paid or payable, including any base salary that is subject to deferral, to the Participant by the Company or any Affiliate at the rate in effect immediately prior to the Date of Termination.

2.3 “Annual Bonus” means Participant’s target annual bonus for the fiscal year which includes the Date of Termination; provided, however, that if the Committee has not, prior to the Date of Termination, approved the Participant’s target Annual Bonus for the fiscal year which includes the Date of Termination, then “Annual Bonus” shall mean the Participant’s target annual bonus for the fiscal year immediately preceding the fiscal year which includes the Date of Termination.

2.4 “Arbitration Rules” has the meaning set forth in Section 10.8.

2.5 “Benefit Continuation Period” means, for the Tier 1 Participant and Tier 2 Participants, a period of eighteen (18) months from the Date of Termination, and for Tier 3 Participants, a period of twelve (12) months from the Date of Termination.

2.6 “Cause” means the occurrence of any of the following: (a) Participant’s material misconduct or neglect in the performance of Participant’s duties; (b) Participant’s commission of

any felony; offense punishable by imprisonment in a state or federal penitentiary; any offense, civil or criminal, involving material dishonesty, fraud, moral turpitude or immoral conduct; or any crime of sufficient import to potentially discredit or adversely affect the Company's ability to conduct its business in the normal course; (c) Participant's material breach of the Company's written Code of Conduct, as in effect from time to time; (d) Participant's commission of any act that results in severe harm to the Company excluding any act taken by Participant in good faith that Participant reasonably believed was in the best interests of the Company; or (e) Participant's material breach of any restrictive covenants agreement or any other agreement by and between Participant and the Company addressing confidentiality of Company information, non-competition with the Company and/or non-solicitation of the Company's employees.

2.7 "CEO" means the Chief Executive Officer of the Company.

2.8 "Change in Control" means the first to occur of the following:

(a) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total voting power represented by the Company's then-outstanding voting securities, provided, however, that a Change in Control shall not be deemed to occur if an employee benefit plan (or a trust forming a part thereof) maintained by the Company or Kevin Plank (including Kevin Plank's immediate family members), directly or indirectly, become the beneficial owner, of more than fifty percent (50%) of the then-outstanding voting securities of the Company after such acquisition;

(b) a change in the composition of the Board occurring within a two-year period and as a result of which fewer than a majority of the Board are Incumbent Directors. For this purpose, "Incumbent Directors" shall mean (i) the directors of the Board as of the Effective Date, or (ii) the directors that are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company);

(c) the consummation of a merger or consolidation of the Company with any other corporation or entity, other than a merger or consolidation which would result in (i) the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation in substantially the same proportion as prior to such merger or consolidation; or (ii) the directors of the Company immediately prior thereto continuing to represent at least fifty percent (50%) of the directors of the Company or such surviving entity immediately after such merger or consolidation; or

(d) the consummation of the sale or disposition by the Company of all or substantially all of the Company's assets.

2.9 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

2.10 “Committee” means the Human Capital and Compensation Committee of the Board.

2.11 “Company” means Under Armour, Inc. and any successor(s) thereto or, if applicable, the ultimate parent of any such successor.

2.12 “Date of Termination” means the effective date of Participant’s involuntary termination by the Company without Cause or Participant’s resignation for Good Reason. If the Participant’s employment is terminated by reason of death, the Date of Termination shall be the date of death of the Participant. If the Participant’s employment is terminated by reason of Disability, the Date of Termination shall be the Disability Effective Date (as defined below). Notwithstanding the foregoing, in no event shall the Date of Termination occur until the Participant experiences a “separation from service” within the meaning of Section 409A of the Code, and the date on which such separation from service takes place shall be the “Date of Termination.”

2.13 “Disability” means the Participant’s physical or mental incapacity which would entitle the Participant to benefits under the Company long-term disability plan, regardless of whether the Participant is actually enrolled in such plan, as in effect immediately prior to the Change in Control (the date of determination of Participant’s Disability, the “Disability Effective Date”).

2.14 “Effective Date” means November 3, 2022; provided, however, that in the case of any individual who would otherwise be a Participant under the Plan and is a party to a written change in control agreement with the Company or an Affiliate which provides severance benefits that precedes the Effective Date and which remains in effect on the Effective Date, then such individual shall become a Participant under this Plan on January 1, 2023.

2.15 “Good Reason” means the occurrence of any of the following events: (a) a material diminishment in the scope of Participant’s duties or responsibilities with the Company or its Affiliates; (b) a material reduction in Participant’s Annual Base Salary, Annual Bonus or a material reduction in the aggregate benefits or perquisites; (c) a requirement that Participant relocate more than fifty (50) miles from Participant’s primary place of business as of the date of a Change in Control, or a significant increase in required travel as part of Participant’s duties and responsibilities with the Company or its Affiliates; (d) a failure by any successor to the Company to assume this Plan; or (e) a material breach by the Company of any of the terms of this Plan. Notwithstanding the foregoing, Participant must provide the Company with written notice setting forth in reasonable detail the facts and circumstances that constitute Good Reason within ninety (90) days of its first occurrence, and the Company shall have thirty (30) days after receipt of such notice to cure any Good Reason. If the facts and circumstances constituting Good Reason still exist at the end of such thirty (30) day period, the Participant’s resignation for Good Reason shall become effective on the date that is five (5) business days after the expiration of such cure period.

2.16 “Participant” means any employee of the Company or its Affiliates with the job title of Chief Executive Officer; Executive Vice President; Managing Director, Europe, Middle-East, and Africa (EMEA); or Managing Director, Asia-Pacific (APAC). For the avoidance of

doubt and notwithstanding any provision herein to the contrary, Kevin Plank shall not be eligible to participate in this Plan.

2.17 “Plan” means this Under Armour, Inc. Executive Change in Control Severance Plan, as it may be amended from time to time.

2.18 “Qualifying Termination” means Participant’s involuntary termination by the Company without Cause or Participant’s resignation for Good Reason, in either case, occurring on or within the two (2) year period following the Change in Control or within three (3) months before but in connection with or in anticipation of a Change in Control, and subject to Participant’s execution and non-revocation (as applicable) of the confidentiality, non-competition, non-solicitation and/or general release of claims agreements in substantially the form provided by the Company to all similarly situated Participants within the sixty (60) day period following the Qualifying Termination (individually and/or collectively, as applicable, the “Releases”). Any Participant with a Date of Termination that occurs after the two (2) year period following a Change in Control shall be deemed to have not undergone a Qualifying Termination. Notwithstanding any provision herein to the contrary, a termination of the Participant’s employment by reason of death or Disability shall not be a Qualifying Termination.

2.19 “Severance Multiplier” means each of the following numbers: 2 for Tier 1 Participants, 1.5 for Tier 2 Participants, and 1 for Tier 3 Participants.

2.20 “Tier 1 Participant” means a Participant who is the CEO immediately prior to a Change in Control.

2.21 “Tier 2 Participant” means a Participant who is designated as an Executive Vice President immediately prior to a Change in Control.

2.22 “Tier 3 Participant” means a Participant who is designated as Managing Director, Europe, Middle East, and Africa (EMEA) or Managing Director, Asia-Pacific (APAC) immediately prior to a Change in Control.

### **SECTION 3.**

#### **SEVERANCE BENEFITS**

3.1 Qualifying Termination. If a Participant experiences a Qualifying Termination, the Company shall pay or provide to the Participant the following payments and benefits at the time or times set forth below, subject to Section 9:

(a) a lump sum payment in cash, subject to (other than in the case of the Accrued Obligations and Other Benefits) the Participant’s execution and non-revocation of the Releases, equal to the aggregate of the following amounts:

(i) the sum of (A) any earned and unpaid portion of the Participant’s Annual Base Salary through the Date of Termination, (B) any accrued and unpaid annual bonus earned by the Participant for the fiscal year prior to the fiscal year in which the Date of Termination occurs, and (C) any accrued and unused vacation pay or other paid time off in accordance with the Company’s policies then in effect, in each case, to the extent not theretofore paid (the sum of the amounts described in clauses (A), (B), and (C) shall be hereinafter referred

to as the “Accrued Obligations”), payable within five (5) days following the Date of Termination (or earlier if required by applicable laws); and

(ii) the product of (A) the sum of (1) Participant’s Annual Base Salary, as in effect immediately prior to the Date of Termination, and (2) Participant’s Annual Bonus, as in effect immediately prior to the Date of Termination, and (B) the Severance Multiplier; payable as soon as practicable following the date of the Qualifying Termination and in any event, no later than the sixtieth (60<sup>th</sup>) day following the Qualifying Termination provided, that if such sixty (60) day period begins in one calendar year and ends in a second calendar year, the payment will be made in the second calendar year.

(b) Healthcare Benefits. If an election for continuation coverage under the group health plans of the Company and its Affiliates as described in Section 4980B of the Code (i.e., “COBRA” continuation benefits) is properly made, for the Benefit Continuation Period, the Company shall continue to provide to the Participant (and the Participant’s dependents who were covered by healthcare benefit coverage pursuant to a plan sponsored by the Company or an Affiliate as of immediately prior to the Date of Termination, if any (the “eligible dependents”)), without any requirement for the Participant (or the eligible dependents) to pay a monthly premium, healthcare benefit coverage (including medical, prescription, dental, vision, basic life, and employee assistance program coverage); provided, however, that if the Participant becomes reemployed with another employer and is eligible to receive any of the types of healthcare benefits under another employer-provided plan, the Participant shall promptly notify the Company via electronic mail to [Benefits@underarmour.com](mailto:Benefits@underarmour.com) that the Participant has become eligible to receive healthcare benefits under another employer-provided plan and the Company shall no longer be obligated to pay the COBRA premium on behalf of the Participant or the Participant’s eligible dependent. For the avoidance of doubt, in such a case, the Participant (or eligible dependents) shall be permitted to continue the then remaining COBRA period (if any) at Participant’s sole cost and expense. Notwithstanding the foregoing, solely with respect to a Tier One Participant, in the event such Participant has completely exhausted coverage for his or her Benefit Continuation Period, then such Participant will receive a payment equal to one month’s COBRA premium beginning in the first month immediately following the end of such Benefit Continuation Period and which shall continue to be paid each month thereafter until the earlier of (i) the end of the six (6) month period following the end of the Benefit Continuation Period and (ii) the date that such Participant becomes reemployed with another employer and is eligible to receive any of the types of healthcare benefits under another employer-provided plan.

(c) Other Benefits. To the extent not theretofore paid or provided, the Company shall timely pay or provide to the Participant any other amounts or benefits required to be paid or provided under any plan, program, policy or practice or contract or agreement of the Company and its Affiliates (such other amounts and benefits shall be hereinafter referred to as the “Other Benefits”).

(d) Chief Executive Officer. If the Participant is the CEO and following a Qualifying Termination, qualifies as eligible for severance pay and benefits under this Plan and the Under Armour, Inc. Executive Severance Program as in effect from time to time, then the Company shall pay the Participant the better of the two severance payments and benefits thereunder.

3.2 Death; Disability.

If the Participant's employment is terminated by reason of the Participant's death or Disability during the two-year period beginning on the date of a Change in Control, the Company shall provide the Participant's estate or beneficiaries with the Accrued Obligations and the timely payment or delivery of the Other Benefits in accordance with the terms of the underlying plans or agreements and shall have no severance obligations under this Plan. The Accrued Obligations shall be paid to the Participant, or the Participant's estate or beneficiary, as applicable, in a lump sum in cash within thirty (30) days after the Date of Termination (unless sooner required by applicable law).

3.3 Treatment of Equity Awards.

(a) Any equity awards granted to Participant will be governed by the applicable plan or the applicable award agreement; provided, however, that if the applicable plan or the applicable award agreement does not specifically address the impact of a change in control, then unless otherwise expressly prohibited by the applicable plan or the applicable award agreement:

(i) any equity awards (including restricted stock units and stock options) that vest solely due to Participant's continuous service over time shall fully vest on the Date of Termination;

(ii) any equity awards (including restricted stock units and stock options) that vest due to the achievement of one or more performance goals shall vest at the target level of performance on the Date of Termination.

(b) For the avoidance of doubt, this Plan is not intended to amend or otherwise enlarge any rights with respect to any applicable equity plan or the applicable equity award agreement which specifically addresses the impact of a change in control.

**SECTION 4.**

**GOLDEN PARACHUTE EXCISE TAX**

4.1 In the event that the severance and other benefits provided for in this Plan or otherwise payable to a Participant (i) constitute "parachute payments" within the meaning of Section 280G of the Code ("280G Payments"), and (ii) but for this Section 4, would be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the 280G Payments will be either:

(a) delivered in full, or

(b) delivered as to such lesser extent which would result in no portion of such benefits being subject to the Excise Tax,

whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the receipt by Participant on an after-tax basis, of the greatest amount of benefits, notwithstanding that all or some portion of such benefits may be taxable under Section 4999 of the Code. If a reduction in the 280G Payments is necessary so that no portion of such benefits are subject to the Excise Tax, reduction will occur in the following

order: (i) cancellation of awards granted “contingent on a change in ownership or control” (within the meaning of Section 280G of the Code); (ii) a pro rata reduction of (A) cash payments that are subject to Section 409A of the Code as deferred compensation and (B) cash payments not subject to Section 409A of the Code; (iii) a pro rata reduction of (A) employee benefits that are subject to Section 409A of the Code as deferred compensation and (B) employee benefits not subject to Section 409A of the Code; and (iv) a pro rata cancellation of (A) accelerated vesting equity awards that are subject to Section 409A as deferred compensation and (B) equity awards not subject to Section 409A of the Code. In the event that acceleration of vesting of equity awards is to be cancelled, such acceleration of vesting will be cancelled in the reverse order of the date of grant of a Participant’s equity awards.

4.2. A nationally recognized professional services firm selected by the Company, the Company’s legal counsel or such other person or entity to which the parties mutually agree (the “Firm”) will make any determination required under this Section 4. Such determinations will be made in writing by the Firm and any good faith determinations of the Firm will be conclusive and binding upon Participant and the Company. For purposes of making the calculations required by this Section 4, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. Participant and the Company will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section 4. The Company will bear all costs the Firm may incur in connection with any calculations contemplated by this Section 4.

## SECTION 5.

### NONDUPLICATION; LEGAL FEES; NON-EXCLUSIVITY OF RIGHTS

#### 5.1 Nonduplication.

The amount of the payment under Sections 3.1(a)(ii) and 3.1(b) of this Plan will be offset and reduced by the full amount and/or value of any severance benefits, compensation and benefits provided during any notice period, pay in lieu of notice, mandated termination indemnities, or similar benefits that the Participant may separately be entitled to receive from the Company or any Affiliate based on any employment agreement or other contractual obligation (whether individual or union/works council) or statutory scheme. If a Participant’s employment is terminated because of a plant shut-down or mass layoff or other event to which the Worker Adjustment and Retraining Notification Act of 1988 or similar state law (collectively, “WARN”) applies, then the amount of the severance payment under Sections 3.1(a)(ii) and 3.1(b) of this Plan to which the Participant is entitled shall be reduced, dollar for dollar, by the amount of any pay provided to the Participant in lieu of the notice required by WARN, and the Benefits Continuation Period shall be reduced for any period of benefits continuation or pay in lieu thereof provided to Participant due to the application of WARN.

#### 5.2 Non-exclusivity of Rights.

Nothing in this Plan shall prevent or limit a Participant’s continuing or future participation in any plan, program, policy or practice provided by the Company or its Affiliates and for which the Participant may qualify, nor shall anything herein limit or otherwise affect

such rights as a Participant may have under any other contract or agreement with the Company or any of its Affiliates. Amounts that are vested benefits or that a Participant and/or a Participant's dependents are otherwise entitled to receive under any plan, policy, practice, program, agreement or arrangement of the Company or any of its Affiliates shall be payable in accordance with such plan, policy, practice, program, agreement or arrangement. Without limiting the generality of the foregoing, the Participant's resignation under this Plan, with or without Good Reason, shall in no way affect the Participant's ability to terminate employment by reason of the Participant's "retirement" under, or to be eligible to receive benefits under, any compensation and benefits plans, programs or arrangements of the Company or its Affiliates, including without limitation any retirement or pension plans or arrangements or substitute plans adopted by the Company, its Affiliates or their respective successors, and any termination which otherwise qualifies as Good Reason shall be treated as such even if it is also a "retirement" for purposes of any such plan.

## **SECTION 6.**

### **AMENDMENT AND TERMINATION**

The Plan may be terminated or amended in any respect by resolution adopted by the Committee; provided that, in connection with or in anticipation of a Change in Control, this Plan may not be terminated or amended in any manner that would adversely affect the rights or potential rights of Participants; provided, further, that following a Change in Control, this Plan shall continue in full force and effect and shall not terminate, expire or be amended until after all Participants who become entitled to any payments or benefits hereunder shall have received such payments and benefits in full pursuant to Section 3.

## **SECTION 7.**

### **PLAN ADMINISTRATION**

#### **7.1 General.**

The Committee is responsible for the general administration and management of this Plan (the Committee acting in such capacity, the "Plan Administrator") and shall have all powers and duties necessary to fulfill its responsibilities, including, but not limited to, the discretion to interpret and apply the provisions of this Plan and to determine all questions relating to eligibility for benefits under this Plan, to interpret or construe ambiguous, unclear, or implied (but omitted) terms in any fashion it deems to be appropriate, and to make any findings of fact needed in the administration of this Plan. Following a Change in Control, the validity of any such interpretation, construction, decision, or finding of fact shall be given de novo review if challenged in court, by arbitration, or in any other forum, and such de novo standard shall apply notwithstanding the grant of full discretion hereunder to the Plan Administrator or characterization of any such decision by the Plan Administrator as final or binding on any party.

#### **7.2 Not Subject to ERISA.**

This Plan does not require an ongoing administrative scheme and, therefore, is intended to be a payroll practice which is not subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). However, if it is determined that this Plan is

subject to ERISA, (i) it shall be considered to be an unfunded plan maintained by the Company primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees (a “top-hat plan”), and (ii) it shall be administered in a manner which complies with the provisions of ERISA that are applicable to top-hat plans.

7.3 Indemnification.

To the extent permitted by law, the Company shall indemnify the Plan Administrator, whether the Committee or the Independent Committee, from all claims for liability, loss, or damage (including the payment of expenses in connection with defense against such claims) arising from any act or failure to act in connection with this Plan.

**SECTION 8.**  
**SUCCESSORS; ASSIGNMENT**

8.1 Successors.

The Company shall require any corporation, entity, individual or other person who is the successor (whether direct or indirect by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all the business and/or assets of the Company to expressly assume and agree to perform, by a written agreement in form and in substance satisfactory to the Company, all of the obligations of the Company under this Plan. As used in this Plan, the term “Company” shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes and agrees to perform this Plan by operation of law, written agreement or otherwise.

8.2 Assignment of Rights.

It is a condition of this Plan, and all rights of each person eligible to receive benefits under this Plan shall be subject hereto, that no right or interest of any such person in this Plan shall be assignable or transferable in whole or in part, except by will or the laws of descent and distribution or other operation of law, including, but not by way of limitation, lawful execution, levy, garnishment, attachment, pledge, bankruptcy, alimony, child support or qualified domestic relations order.

**SECTION 9.**  
**SECTION 409A OF THE CODE**

9.1 General.

The obligations under this Plan are intended to comply with the requirements of Section 409A of the Code or an exemption or exclusion therefrom and shall in all respects be administered in accordance with Section 409A of the Code. Any payments that qualify for the “short-term deferral” exception, the separation pay exception or another exception under Section 409A of the Code shall be paid under the applicable exception to the maximum extent possible. For purposes of the limitations on nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Plan shall be treated as a separate payment of compensation for purposes of applying the exclusion under Section 409A of the Code for short-term deferral amounts, the separation pay exception or any other exception or exclusion under

Section 409A of the Code. All payments to be made upon a termination of employment under this Plan may only be made upon a “separation from service” under Section 409A of the Code to the extent necessary in order to avoid the imposition of penalty taxes on a Participant pursuant to Section 409A of the Code. In no event may a Participant, directly or indirectly, designate the calendar or fiscal year of any payment under this Plan.

9.2 Reimbursements and In-Kind Benefits.

Notwithstanding anything to the contrary in this Plan, all reimbursements and in-kind benefits provided under this Plan that are subject to Section 409A of the Code shall be made in accordance with the requirements of Section 409A of the Code, including without limitation, where applicable, the requirement that (a) in no event shall the Company’s obligations to make such reimbursements or to provide such in-kind benefits apply later than the Participant’s remaining lifetime (or during a shorter period specified in this Plan); (b) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a fiscal year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other fiscal year; (c) the reimbursement of an eligible fees and expenses shall be made no later than the last day of the fiscal year following the year in which the applicable fees and expenses were incurred; and (d) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

9.3 Delay of Payments.

Notwithstanding any other provision of this Plan to the contrary, if a Participant is considered a “specified employee” for purposes of Section 409A of the Code (as determined in accordance with the methodology established by the Company as in effect on the Date of Termination), any payment or benefit that constitutes nonqualified deferred compensation within the meaning of Section 409A of the Code that is otherwise due to be paid to such Participant under this Plan during the six-month period immediately following such Participant’s separation from service (as determined in accordance with Section 409A of the Code) on account of such Participant’s separation from service shall be accumulated and paid to such Participant with Interest (based on the rate in effect for the month in which the Participant’s separation from service occurs) on the first business day of the seventh month following the Participant’s separation from service (the “Delayed Payment Date”), to the extent necessary to avoid penalty taxes or accelerated taxation pursuant to Section 409A of the Code. If such Participant dies during the postponement period, the amounts and entitlements delayed on account of Section 409A of the Code shall be paid to the personal representative of his or her estate on the first to occur of the Delayed Payment Date or 30 calendar days after the date of such Participant’s death.

**SECTION 10.  
MISCELLANEOUS**

10.1 Controlling Law.

This Plan shall be governed by and construed in accordance with the laws of the State of Maryland, without giving effect to any choice of law or conflicting provision or rule (whether of the State of Maryland or any other jurisdiction) that would cause the laws of any jurisdiction other than the State of Maryland to be applied. In furtherance of the foregoing, the

internal laws of the State of Maryland will control the interpretation and construction of this Plan, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

10.2 Withholding.

The Company may withhold from any amount payable or benefit provided under this Plan such federal, state, local, foreign and other taxes as are required to be withheld pursuant to any applicable law or regulation.

10.3 Gender and Plurals.

Wherever used in this Plan document, words in the masculine gender shall include masculine or feminine gender, and, unless the context otherwise requires, words in the singular shall include the plural, and words in the plural shall include the singular.

10.4 Plan Controls.

In the event of any inconsistency between this Plan document and any other communication regarding this Plan, this Plan document controls. The captions in this Plan are not part of the provisions hereof and shall have no force or effect.

10.5 Not an Employment Contract.

Neither this Plan nor any action taken with respect to it shall confer upon any person the right to continued employment with the Company.

10.6 Notices.

(a) Any notice required to be delivered to the Company by a Participant hereunder shall be properly delivered to the Company when personally delivered to, or actually received through the U.S. mail by:

Chief Legal Officer and Corporate Secretary  
Under Armour, Inc., 1020 Hull Street  
Baltimore, MD 21230

(b) Any notice required to be delivered to the Participant by the Company hereunder shall be properly delivered to the Participant when the Company delivers such notice personally or by placing said notice in the U.S. mail registered or certified mail, return receipt requested, postage prepaid to that person's last known address as reflected on the books and records of the Company.

10.7 Severability.

If any provision of this Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of this Plan, and this Plan shall be construed and enforced as if such provision had not been included in this Plan.

#### 10.8 Arbitration of Disputes.

(a) Any disagreement, dispute, controversy or claim arising out of or relating to this Plan or the interpretation or validity hereof shall be settled exclusively and finally by arbitration. It is specifically understood and agreed that any such disagreement, dispute or controversy which cannot be resolved between the parties, including without limitation any matter relating to interpretation of this Plan, may be submitted to arbitration irrespective of the magnitude thereof, the amount in controversy or whether such disagreement, dispute or controversy would otherwise be considered justiciable or ripe for resolution by a court or arbitral tribunal.

(b) The arbitration shall be conducted in accordance with the Commercial Arbitration Rules (the "Arbitration Rules") of the American Arbitration Association ("AAA").

(c) The arbitral tribunal shall consist of one arbitrator. The parties to the arbitration jointly shall directly appoint such arbitrator within thirty (30) days of initiation of the arbitration. If the parties shall fail to appoint such arbitrator as provided above, such arbitrator shall be appointed by the AAA as provided in the Arbitration Rules and shall be a person who (a) maintains his principal place of business within thirty (30) miles of the City of Baltimore and (b) has substantial experience in executive compensation. The parties shall each pay an equal portion of the fees, if any, and expenses of such arbitrator.

(d) The arbitration shall be conducted within thirty (30) miles of the City of Baltimore or in such other city in the United States of America as the parties to the dispute may designate by mutual written consent.

(e) At any oral hearing of evidence in connection with the arbitration, each party thereto or its legal counsel shall have the right to examine its witnesses and to cross-examine the witnesses of any opposing party. No evidence of any witness shall be presented unless the opposing party or parties shall have the opportunity to cross-examine such witness, except as the parties to the dispute otherwise agree in writing or except under extraordinary circumstances where the interests of justice require a different procedure.

(f) Any decision or award of the arbitral tribunal shall be final and binding upon the parties to the arbitration proceeding. The parties hereto hereby waive to the extent permitted by law any rights to appeal or to seek review of such award by any court or tribunal. The parties hereto agree that the arbitral award may be enforced against the parties to the arbitration proceeding or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction.

(g) Nothing herein contained shall be deemed to give the arbitral tribunal any authority, power, or right to alter, change, amend, modify, add to or subtract from any of the provisions of this Plan.

(h) If any dispute is not resolved within sixty (60) days from the date of the commencement of an arbitration, then the Company shall, at its option, elect to pay Participant either (a) within five (5) days after the end of such sixty (60)-day period, the amount or amounts which would have been payable to Participant had there been no dispute, subject to reimbursement to the extent consistent with the final disposition of the dispute or (b) following

final disposition of the dispute, the amount determined in such final disposition to have been payable, together with Interest from the date when such sums were originally payable to the date of actual payment. For purpose of this paragraph (viii) the term “Interest” means interest at a rate equal to the Company’s borrowing rate per annum, compounded monthly.

(i) Notwithstanding anything to the contrary in this Plan, the arbitration provisions set forth in this Section 10.8 shall be governed exclusively by the Federal Arbitration Act, Title 9, United States Code.

(j) If the Participant prevails in the arbitration concerning any substantial matter of this Plan or the rights and duties of any party hereunder, in addition to such other relief as may be granted, the Company shall reimburse the Participant for the Participant’s reasonable attorneys’ fees incurred by reason of such arbitration to the extent the attorneys’ fees relate to such substantial matter, and any such reimbursement payments shall be made no later than March 15 of the year following the year in which such arbitration award is final.

**Under Armour, Inc. Executive Severance Program**

**Amendment and Restatement**  
Effective as of February 7, 2023

**1. ESTABLISHMENT AND PURPOSE**

Under Armour, Inc. (the “Company”) hereby adopts this amendment and restatement, effective February 7, 2023, to the Under Armour, Inc. Executive Severance Program (the “Plan”). The Plan is intended to benefit eligible employees of the Company and its participating affiliates listed in **Exhibit A** (collectively referred to as the “Employer”). The Plan is an unfunded welfare benefit plan for purposes of the Employee Retirement Income Security Act of 1974 (“ERISA”) for the benefit of a select group of management or highly compensated employees (as defined under Sections 201(2), 301(a)(3), and 401(a)(1) of ERISA); a severance pay plan within the meaning of United States Department of Labor Regulation Section 2510.3-2(b); and an involuntary separation pay plan under Treasury Regulation Section 1.409A-1(b)(9).

The purpose of the Plan is to provide an eligible employee with severance pay and benefits in the event his or her employment with an Employer is involuntarily terminated under circumstances entitling the employee to severance pay and benefits. This document serves as both the plan document and the summary plan description under ERISA.

**2. ELIGIBLE EMPLOYEES**

Only an eligible employee shall participate in the Plan. You are an “eligible employee” if you:

(a) are a full-time employee of the Employer who works and resides in the United States and, as of your Separation Date, are (i) actively at work, (ii) on short-term disability leave, (iii) on an authorized paid leave, or (iv) on leave under the Family and Medical Leave Act;

(b) are classified at the Senior Vice President level and above—excluding Kevin Plank;

(c) (i) are involuntarily terminated without Cause (defined below) (including, but not limited to, an involuntary termination in connection with a job elimination; permanent shutdown of a store, division, department or work location; permanent reduction of the Employer’s workforce; or performance-related reasons including suitability for the position) or (ii) are the Chief Executive Officer and resign for Good Reason;

(d) are notified in writing by the Plan Administrator that you are eligible to participate in the Plan;

(e) are not a party to an employment or similar agreement or offer letter with the Employer that provides for severance or separation benefits, except as otherwise determined by the Plan Administrator;

(f) perform all transition and other matters required of you by the Employer prior to the Separation Date (as defined below); and

(g) return (and do not thereafter revoke, as applicable) a signed and dated original Separation Agreement and General Release (the “Release”) within the time period set forth in the Release (as described more fully in Section 4 below).

For purposes of the Plan, “Cause” means the occurrence of any of the following: (i) your material misconduct or neglect in the performance of your duties; (ii) your commission of any felony; offense punishable by imprisonment in a state or federal penitentiary; any offense, civil or criminal, involving material dishonesty, fraud, moral turpitude or immoral conduct; or any crime of sufficient import to potentially discredit or adversely affect the Employer’s ability to conduct its business in the normal course; (iii) your material breach of the Employer’s written Code of Conduct, as in effect from time to time; (iv) your commission of any act that results in severe harm to the Employer excluding any act taken by you in good faith that you reasonably believed was in the best interests of the Employer; or (v) your material breach of an Employee Confidentiality, Non-Competition and Non-Solicitation Agreement or any other agreement by and between you and any member of the Employer Group addressing confidentiality of Employer information, non-competition with the Employer and/or non-solicitation of the Employer Group’s employees.

For purposes of the Plan, “Good Reason” means the occurrence of any of the following: (i) a material diminishment in the scope of your duties or responsibilities with the Company (other than temporarily while you are physically or mentally incapacitated or as required by applicable law), or the assignment to you of duties or responsibilities that are materially inconsistent with, or the failure to assign to you duties and responsibilities that are materially consistent with, your duties, positions, authority, responsibilities and reporting requirements as set forth in your offer letter, or the assignment to you of duties or responsibilities that materially impair your ability to function as the President and Chief Executive Officer of the Company; (ii) the failure of the Company to continue you as President and Chief Executive Officer or you are no longer nominated for election to serve as a member of the Board of Directors of the Company; (iii) a material reduction in your base salary, bonus, long-term incentive opportunity or aggregate benefits or perquisites, unless the reduction is part of an overall and nondiscriminatory reduction to such compensation of all similarly situated employees and the reduction is proportional to the reductions suffered by the other employees; (iv) a reduction in or a material delay in payment of your total cash compensation or benefits or in the vesting of equity awards from those required to be provided in connection with your hiring as reflected herein, including any such reduction or delay occasioned by a termination of or change to any plan or program, other than as may be required by law; (v) should the Company be reorganized such that it becomes a direct or indirect subsidiary or controlled party of any other person or entity, your not holding authorities, duties, responsibilities, status, offices, titles or reporting lines in such parent or other ultimately controlling party at least commensurate with those held by you at the Company immediately prior to such reorganization; or (vi) a requirement that you relocate more than fifty (50) miles from the Company’s current headquarters offices located in Baltimore, Maryland, other than as a consequence of travel reasonable required to carry out your obligations as President and Chief Executive Officer and a Board member. For the avoidance of doubt, the removal or resignation of Kevin Plank from the positions of Executive Chair and Brand Chief, and the subsequent requirement that you report instead directly to the Board, will not constitute Good Reason. However, none of the foregoing events or conditions will constitute Good Reason unless (A) you provide the Company with written objection to the event or condition within ninety (90) days following the date as of which you became aware of the occurrence thereof, (B) the Company does not reverse or otherwise cure the event or condition within thirty (30) days of receiving

such written objection, and (C) you resign your employment within thirty (30) days following the expiration of such cure period.

In order to be eligible for severance pay and benefits under the Plan, you must terminate your employment on the date determined in the sole discretion of the Company (the "Separation Date"). The Company will communicate to you the Separation Date. To the extent you are on a protected leave of absence under federal or state law at the time you are notified of your involuntary termination by the Employer, your Separation Date will not take place until you return from protected leave. The Company reserves the right, in its sole discretion, to accelerate or delay the Separation Date, notwithstanding the fact that the Company may have previously communicated to you an earlier or later Separation Date.

### **3. CONDITIONS OF INELIGIBILITY**

Even if you meet the criteria above, some circumstances would make you ineligible for severance pay and benefits under the Plan. You are **ineligible** for severance pay and benefits under the Plan if, as determined in the sole discretion of the Plan Administrator:

- (a) you cease to be an eligible employee, as defined above, before the date the Employer designates as your Separation Date;
- (b) you fail to remain employed through your Separation Date (*e.g.*, you die, retire, quit, resign or otherwise abandon your job on or before your Separation Date), unless the Employer approves such earlier termination of employment;
- (c) the Employer terminates you for any reason other than a termination in connection with the Plan;
- (d) you are receiving long-term disability benefits;
- (e) you are offered a comparable position with the Employer or one of its subsidiaries or affiliates (the "Employer Group") on or before your Separation Date, regardless of whether you accept the position;
- (f) in the case of a sale of all or a portion of the Employer, you are offered a comparable position by the purchaser (or an affiliate) of the business sold by the Employer, regardless of whether you accept the position;
- (g) in the case of the loss or termination of a contract with a client, you are offered a position of comparable responsibility and pay by the contract successor;
- (h) you are a party to an employment or similar agreement or offer letter with the Employer that provides for severance or separation benefits, except as otherwise determined by the Plan Administrator;
- (i) you fail to satisfy any transition assistance requests of the Employer to the Employer's satisfaction, such as locating files, preparing accounting records and/or repaying amounts you owe any vendor or contractor of the Employer; or
- (j) the Plan is terminated.

A position shall be considered “comparable” for purposes of this Plan based on criteria established by the Plan Administrator, in its sole discretion. If you are offered a non-comparable position with the Employer Group on or before your Separation Date, you must decide whether to accept such offer within seven (7) business days after the date you receive the offer letter. Otherwise, you will be deemed to have declined such offer and you will be eligible for severance pay and benefits described below; provided you otherwise meet the requirements of the Plan.

**4. SEPARATION AGREEMENT AND GENERAL RELEASE**

In order to be eligible to receive the severance pay and benefits described below, you must sign, submit and not later revoke, as applicable, a Release to the Plan Administrator no earlier than your Separation Date. The Release will be provided and must be signed by you in a manner acceptable to the Company, including via Adobe Sign, DocuSign or other electronic signature software acceptable to the Company, in its sole and absolute discretion. You will have an established minimum period of time in which to consider the Release which will be set forth in the Release.

If you are age 40 or older, you may revoke the Release you submitted to the Plan Administrator within seven (7) calendar days of the date you signed the Release. Any such revocation must be in writing and sent by overnight mail or other courier delivery service so that it is by mail to the Plan Administrator, c/o Vice President, Deputy General Counsel, Litigation and Insurance, Under Armour, Inc., 1020 Hull Street, Baltimore, MD 21230. Any revocation received or postmarked after the seven (7) calendar day period will not be effective.

*If you (i) do not sign the Release within the time period set forth in the Release; or (ii) as applicable, timely revoke your Release, you will still be terminated as of your Separation Date and will not be eligible to receive any severance pay and benefits.*

You are advised to contact your personal attorney and/or tax professional, at your own expense, to review the Release.

**5. AMOUNT OF SEVERANCE PAY**

As consideration for signing the Release, the Employer will pay you severance pay as follows:

- (a) if you are the Chief Executive Officer, an amount equal to two times your annualized base salary as of the date you are notified that you are eligible under the Plan;
- (b) if you are an Executive Vice President or above (other than the Chief Executive Officer), an amount equal to 1.5 times your annualized base salary as of the date you are notified that you are eligible under the Plan; or
- (c) if you are a Senior Vice President, an amount equal to your annualized base salary as of the date you are notified that you are eligible under the Plan.

**6. SEVERANCE BENEFITS**

As additional consideration for the Release, the Employer will provide the following severance benefits:

(a) Accrued Obligations

The Employer will pay you (i) any earned and unpaid portion of your annual base salary through the Separation Date, (ii) any accrued and unpaid annual bonus earned by you pursuant to the Company's bonus plan for the fiscal year prior to the fiscal year in which the Separation Date occurs, and (iii) any accrued and unused vacation pay or other paid time off in accordance with the Company's policies then in effect, in each case, to the extent not theretofore paid (the sum of the amounts described in clauses (i) and (iii) shall be hereinafter referred to as the "Accrued Obligations" and the amount described in clause (ii) shall be hereinafter referred to as the "Accrued Prior Year Bonus"). Notwithstanding the foregoing, the Accrued Prior Year Bonus, if any, shall be subject to clawback by Employer to the extent required by applicable law or the policies of the Employer (including Section 37) as in effect from time to time.

(b) Prorated Bonus

You are eligible for a prorated bonus if you are employed through at least the first six months of the Employer's fiscal year when you are notified that you are eligible under the Plan. The amount of the bonus is calculated based on actual performance for the full fiscal year, including a proportionate reduction if the bonus is not fully funded for the fiscal year, with an imputed evaluation score of "Meeting UA's Expectations." Your payment will then be prorated by a fraction the numerator of which is the number of days you are employed during the fiscal year, and the denominator of which is the number of days in the fiscal year. The prorated bonus, if earned, is paid as and when corporate bonuses are paid to actively employed executives, but in all events during the calendar year that includes the end of the fiscal year for which the prorated bonus is earned. Notwithstanding the foregoing, the prorated bonus, if any, shall be subject to clawback by Employer to the extent required by applicable law or the policies of the Employer (including Section 37) as in effect from time to time.

(c) Continuation of Health Care Coverage

Under federal law (referred to as "COBRA"), if you are a participant in the Company's medical, dental and vision plans (collectively, the "health care plans") on your Separation Date, you (and your eligible dependents) are entitled to elect continuation coverage under these programs.

Under COBRA, you are required to pay the full cost for such coverage, plus a two-percent (2%) administrative fee ("COBRA Premium"). However, if you and/or your eligible dependents timely elect to receive COBRA continuation coverage under the health care plans, the Employer

will pay the COBRA Premium for the coverage level in effect as of your Separation Date. The Employer's payment of your COBRA Premium will take effect as of the first day of the month following your Separation Date (*i.e.*, when your active employee health care coverage ends and your COBRA continuation coverage begins, if elected) and will cease on the following date (the "Severance Period"):

- (i) if you are the Chief Executive Officer, on the last day of the 24th month thereafter;
- (ii) if you are an Executive Vice President or above (excluding the Chief Executive Officer), on the last day of the 18th month thereafter; or
- (iii) if you are a Senior Vice President, on the last day of the 12th month thereafter.

During the Severance Period, you will not be required to pay any share of the applicable COBRA Premium to receive COBRA continuation coverage under the health care plans. After the Severance Period, you will be required to pay the full applicable COBRA Premium for health care coverage to continue such coverage for the remainder of the COBRA period. Notwithstanding the foregoing, solely with respect to Chief Executive Officer, in the event Chief Executive Officer has completely exhausted coverage for his or her Severance Period, then Chief Executive Officer will receive a payment equal to one month's COBRA Premium beginning in the first month immediately following the end of such Severance Period and which shall continue to be paid each month thereafter until the earlier of (x) the end of the six (6) month period following the end of the Severance Period and (y) the date that the Chief Executive Officer and/or his or her dependents become eligible for health care coverage under another group health plan at any time between the Chief Executive Officer's Separation Date and the end of the Severance Period or are otherwise ineligible for COBRA.

If you and/or your eligible dependents become eligible for health care coverage under another group health plan at any time between your Separation Date and the end of the Severance Period or are otherwise ineligible for COBRA, you shall promptly notify the Employer's Benefits Department via electronic mail to [Benefits@underarmour.com](mailto:Benefits@underarmour.com), and the Employer shall no longer be obligated to pay the COBRA Premium on behalf of you and/or your eligible dependents. For the avoidance of doubt, in such a case, you (or your dependents) shall be permitted to continue the then remaining COBRA period (if any) at your sole cost and expense. All of the terms and conditions of the corresponding health care plans sponsored by the Company, as amended from time to time, will apply to you (and your eligible dependents) while receiving COBRA continuation

coverage. All periods of Employer-paid COBRA coverage are counted toward the maximum continuation coverage period under COBRA.

If Employer cannot offer you COBRA continuation coverage under the terms of the applicable benefit plans for all or part of the Severance Period, Employer shall provide insurance by purchasing a commercially reasonable individual policy that provides benefits that are reasonably comparable to the benefits provided by Employer on the day before the end of COBRA continuation coverage. If purchasing commercially reasonable health insurance is prohibited by law or subject to unfavorable tax treatment, then you shall purchase the policy, and Employer shall reimburse you if reimbursement is permitted or more favorable tax treatment.

(d) Career Transition Support Services

The Employer will provide career transition support services by paying you a lump-sum payment that is added to your severance pay and paid according to Section 7.

(e) No Substitute Payments

Except as set forth above, you may not receive cash or any other benefit in lieu of the available severance benefits described above.

**7. PAYMENT OF SEVERANCE PAY**

Severance pay will be paid in a single lump sum payment as soon as practicable following your Separation Date, but only, as applicable, after the seven (7)-day revocation period for the signed Release has passed. The Employer reserves the right, however, in its sole discretion, to pay severance pay in equal installments in accordance with the Employer's payroll practices. Notwithstanding the foregoing, the Accrued Obligations will be paid within fourteen (14) days following the Separation Date (or earlier if required by applicable law), and the Accrued Prior Year Bonus will be paid on the timeline set forth in the Company's bonus plan.

In the event you have received your severance pay and you are reemployed by the Employer Group during a period of time in which you would have been receiving severance pay if paid to you in weekly installments, you will be required to repay the Employer that portion of the lump sum payment attributable to the period of time from the date your reemployment begins to the date you would have received the last installment of severance pay.

**8. TAX LIABILITY AND WITHHOLDING**

You acknowledge and agree that you are solely and entirely responsible for the payment and discharge of all federal, state, and local taxes, if any, that may at any time be found to be due upon or as a result of any amount that is paid to you by the Employer under this Plan and you agree to indemnify and hold the Employer harmless should the Internal Revenue Service determine taxes are due as a result of any failure by you to pay taxes due, the exception being the

Employer's share for FICA and any other employer tax. All legally required taxes, deductions, withholding and any sums owing to the Employer shall be deducted from Plan payments and by participating in the Plan you hereby direct the Employer to do so.

**9. RIGHT TO AMEND COVERAGES**

The Company may, at any time and in any manner, amend its benefit plans, programs, policies and arrangements. While the Company presently intends to continue these coverages, it reserves the right to change, suspend or cancel all or part of these coverages at any time for any person including those in active service, disabled or retired, and to change such persons' contributions.

**10. PAY AND OTHER BENEFITS**

All pay and other benefits payable to you upon separation from employment will be provided, as applicable, in accordance with the terms and conditions of those established policies, plans and procedures. In addition, any benefit continuation or conversion rights which you have as of your Separation Date will be made available to you pursuant to the terms and conditions of those established policies, plans and procedures.

**11. EQUITY AWARDS**

Any equity awards previously granted to you will be governed solely by the applicable plan or the applicable award agreement.

**12. INCLUDED INFORMATION**

In certain situations, the Older Workers Benefit Protection Act entitles you to certain information about the involuntary termination program. If the law entitles you to this information, you will find attached to the Release an Exhibit containing a description of (i) any class, unit or group of individuals covered by the program, any eligibility factors for such program, and any time limits applicable to the program; (ii) the job titles and ages of individuals selected for termination and the offer of severance benefits; and (iii) the job titles and ages of individuals in the same job classification or organizational unit who are not selected for termination and the offer of severance benefits.

**13. PLAN ADMINISTRATION**

The Human Capital and Compensation Committee of the Company (the "Human Capital and Compensation Committee") will serve as the "Plan Administrator" of the Plan and the "named fiduciary" within the meaning of such terms as defined in ERISA. The Human Capital and Compensation Committee will serve as Plan Administrator for all matters concerning participants who are "executive officers" (as defined under United States Securities and Exchange Commission Regulation Section 240.3b-7), including the determination of whether a participant is an executive officer. The Human Capital and Compensation Committee hereby delegates to the Chief People and Administrative Officer of the Company (or her designee), the authority to administer the Plan for all matters concerning participants who are not executive officers, and to the extent that she duly exercises that authority, she (or her designee) will serve as "Plan Administrator." The Plan Administrator has the discretionary authority to determine

eligibility for the Plan and to construe the terms of the Plan, including the making of factual determinations. The decisions of the Plan Administrator are final and conclusive with respect to all questions concerning the administration of the Plan. The Plan Administrator may delegate, to other persons, responsibilities for performing certain duties of the Plan Administrator under the terms of the Plan and may seek such expert advice as the Plan Administrator deems reasonably necessary with respect to the Plan; except that determinations concerning participants who are executive officers are reserved to the Human Capital and Compensation Committee. The Plan Administrator will be entitled to rely upon the information and advice furnished by such delegates and experts, unless actually knowing such information and advice to be inaccurate or unlawful.

#### **14. PROCEDURE FOR MAKING AND APPEALING CLAIMS FOR PLAN BENEFITS**

If you believe that you are entitled to Plan benefits or you believe you are entitled to an additional benefit under the Plan, you may file a claim for benefits with the Plan Administrator. The Plan Administrator will either accept or deny the claim and will notify the claimant of its decision. If the claimant does not provide all the necessary information for the Plan Administrator to process your claim, the Plan Administrator may request additional information and set deadlines for the claimant to provide that information. Within ninety (90) days after receiving a claim, the Plan Administrator will:

- (a) either accept or deny the claim completely or partially; and
- (b) notify the claimant of acceptance or denial of his or her claim.

If the claim is completely or partially denied, the Plan Administrator will furnish a written notice to the claimant containing the following information:

- (a) specific reasons for the denial;
- (b) specific reference to the Plan provisions on which any denial is based;
- (c) a description of any additional material or information that must be provided by the claimant in order to support the claim;
- (d) an explanation of the Plan's appeal procedures and time limits applicable to such procedures; and
- (e) a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following a denial of his or her appeal.

A claimant may appeal the denial of his or her claim and have the Plan Administrator reconsider the decision. The claimant or the claimant's authorized representative has the right to:

- (a) request an appeal by written request to the Plan Administrator no later than sixty (60) days after receipt of notice from the Plan Administrator denying his or her claim;

- (b) upon request and free or charge, review or receive pertinent Plan documents, records or other information relevant to the claimant's claim; and
- (c) submit issues and comments regarding the claim in writing to the Plan Administrator.

In deciding the claimant's appeal, the Plan Administrator will take into account all comments, documents, records and other information submitted by the claimant relating to the claim, regardless of whether such information was submitted or considered in the initial review of the claim. If the claimant does not provide all the necessary information for the Plan Administrator to process the appeal, the Plan Administrator may request additional information and set deadlines for the claimant to provide that information.

The Plan Administrator will make a decision within sixty (60) days after receiving a written request for an appeal. The claimant will be advised of the Plan Administrator's decision on the appeal in writing. The notice will set forth (i) the specific reasons for the decision and references to the Plan provisions upon which the decision on the appeal is based; (ii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records or other information relevant to his or her claim; and (iii) a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following a denial of his or her appeal for benefits.

In no event will a claimant or any other person be entitled to challenge a decision of the Plan Administrator in court or in any other administrative proceeding unless and until the claim and appeal procedures described above have been complied with and exhausted. In no event may a claimant challenge the Plan Administrator's decision upon appeal in any court or governmental proceeding after one-hundred eighty (180) days from the date of the Plan Administrator's decision.

**15. NO ASSIGNMENT OF PLAN BENEFITS**

Under no circumstances may the severance pay and benefits provided under the Plan be subject to anticipation, alienation, pledge, sale, transfer, assignment, garnishment, attachment, execution, encumbrance, levy, lien or charge, and any attempt to cause any such pay or benefits to be so subjected will not be recognized, except to such extent as may be required by law.

**16. AMENDMENT AND TERMINATION OF THE PLAN**

The Plan may be amended in any respect or terminated in its entirety at any time, retroactively or otherwise. The Human Capital and Compensation Committee has the authority to amend, modify or terminate the severance pay and benefits provided under the Plan to "executive officers" (as defined under United States Securities and Exchange Commission Regulation Section 240.3b-7) at any time and for any reason. For participants who are not executive officers, the Chief Financial Officer of the Company has the authority to amend, modify or terminate the severance pay and benefits provided under the Plan. The Chief People and Administrative Officer may also amend the Plan if the amendment is of an administrative, ministerial or technical nature or necessary to comply with applicable law.

**17. MISTAKE OF FACT/OVERPAYMENT**

You will be required to return to the Employer any Plan severance payments or benefits, or portion thereof, made by a mistake of fact or law.

**18. INFORMATION TO BE FURNISHED**

You must furnish to the Plan Administrator such documents, data or other information as the Plan Administrator considers necessary or desirable for the purpose of administering the Plan. The provisions of the Plan are on the condition that you will furnish full, true and complete documents, data or other information, and will promptly sign any document reasonably related to the administration of the Plan, as requested by the Plan Administrator.

**19. REPRESENTATIONS CONTRARY TO THE PLAN**

No employee, officer, director or agent of an Employer has the authority to alter, vary or modify the terms of the Plan, except by means of an authorized written amendment to the Plan as set forth in Section 16 above. No verbal or written representations contrary to the terms of the Plan and its written amendments will be binding upon any person or entity.

**20. NO EMPLOYEE RIGHTS**

The Plan will not confer employment rights upon any person. No person will be entitled, by virtue of the Plan, to remain in the employ of an Employer and nothing in the Plan will restrict the right of an Employer to terminate the employment of any eligible employee.

**21. NO ADVERSE ACTION**

Unless required to do so by court order or subpoena, in order to receive the severance pay and benefits offered under this Plan, you agree and acknowledge that you will not (i) voluntarily make statements, take action, or give testimony adverse or detrimental to the interests of the Employer; or (ii) aid or assist in any manner the efforts of any third party to sue or prosecute a claim against the Employer. **Should you ever be required to give testimony concerning any matter related to your employment with the Employer, you must provide notice of such compulsory process to Vice President, Deputy General Counsel, Litigation and Insurance, Under Armour, Inc., 1020 Hull Street, Baltimore, MD 21230 within two (2) business days of its receipt so that the Employer may take appropriate measures to defend its interests.**

Notwithstanding the foregoing, no provision in this Plan prevents you from filing a charge with, cooperating with, or providing information to any federal or state administrative or enforcement agency, including without limitation the United States Equal Employment Opportunity Commission (the "EEOC") or any other government agency, and no provision in this Plan or in any other agreement between the Employer and you prohibits or restricts you (or your attorney) from responding to any inquiry by the Securities and Exchange Commission ("SEC"), the Department of Justice ("DOJ"), the Financial Industry Regulatory Authority ("FINRA"), any other self-regulatory organization or any governmental entity or law enforcement branch, agency, or entity (a "Governmental Entity"). Additionally, nothing herein or in any other agreement between the Employer and you is intended to impair your right to communicate,

cooperate, or file a complaint with any Governmental Entity with respect to possible violations of any federal, state, or local law or regulation, or otherwise make disclosures to any Governmental Entity, in each case, that are protected under the whistleblower or similar provisions of any such law or regulation, provided that in each case such communications and disclosures are consistent with applicable law. Further, nothing herein is intended to impair your right to receive an award from a Governmental Entity for information provided under any whistleblower or similar program. However, you understand and agree that, except where such rights may not be waived under applicable law, you are giving up all rights to receive and you shall not accept nor be entitled to receive, any money or other individual relief recovered by the EEOC on your behalf as a result of any charge with respect to any matter covered by this Plan, or in connection with any judgment, award, settlement, or other payment or other relief resulting from or related to any claim covered by this Plan.

## **22. NON-DISPARAGEMENT**

You agree that you will not disparage any of the Employer and its past, present and future parents, divisions, subsidiaries, and affiliates, predecessors, successors and assigns, and its and their past, present, and future officers, directors, members, partners, attorneys, employee benefit plans, employees, independent contractors, agents, clients, and representatives; and that you will not make or publish any communication that reflects adversely upon any of them.

## **23. CONFIDENTIALITY**

(a) During your employment with an Employer, you may have had access to trade secrets, information regarding the Employer's operations, product lines, costs, operational processes, strategic planning, financial data, marketing plans, sales forecasts, customers, suppliers, personnel and other confidential and proprietary information (hereinafter "Confidential Information") with regard to the Employer's business. Recognizing that the disclosure or improper use of such Confidential Information will cause serious and irreparable injury to the Employer, as an eligible employee with such access you acknowledge that you will not at any time, directly or indirectly, disclose Confidential Information to any third party or otherwise use such Confidential Information for your own benefit or the benefit of others.

(b) Notwithstanding paragraph (a) immediately above, if you have signed and are currently party to a confidentiality agreement or any other agreement by and between you and the Employer addressing confidentiality of Employer information ("Confidentiality Agreement"), you will be subject to the obligations in such Confidentiality Agreement in lieu of the obligations described in paragraph (a) immediately above and you agree to remain bound by such Confidentiality Agreement. If applicable, a copy of your Confidentiality Agreement is attached hereto and incorporated herein by this reference.

(c) Notwithstanding paragraphs (a) and (b) immediately above, under the federal Defend Trade Secrets Act, you shall not be held criminally or civilly liable under federal or state trade secret law for the disclosure of a trade secret that: (i) is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and is made solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in

a complaint or other document filed in a lawsuit or other proceeding if such filing is made under seal.

**24. NON-COMPETITION AND NON-SOLICITATION**

If you have signed and are currently party to a non-competition and non-solicitation agreement or any other agreement by and between you and the Employer addressing non-competition with the Employer and non-solicitation of the Employer's employees ("Non-Competition Agreement"), you agree to remain bound by such agreement. If applicable, your Non-Competition Agreement is incorporated herein by this reference.

**25. LIMITATIONS RELATING TO DISCLOSURES**

The provisions of this Plan relating to confidentiality and non-disparagement are not applicable to truthful testimony required by subpoena or other legal process compelling disclosure. In addition, nothing in this provision is intended to prevent the truthful disclosure of information where such disclosure is protected by applicable federal, state or local law. For employees who work in California, nothing in this Plan prevents you from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful.

**26. PLAN FUNDING**

No employee will acquire by reason of the Plan any right in or title to any assets, funds or property of an Employer. All severance pay or benefits which become payable under the Plan are unfunded obligations of an Employer and will be paid from the general assets of the Employer. No employee, officer, director or agent of an Employer guarantees in any manner the payment of severance pay or benefits from the Plan.

**27. APPLICABLE LAW**

The Plan will be governed by and construed in accordance with applicable federal laws and, to the extent not inconsistent with or preempted by such federal laws, the laws of the State of Maryland, determined without regard to the choice of law rules of any jurisdiction.

**28. SEVERABILITY**

If any provision of the Plan is found, held or deemed by a court of competent jurisdiction to be void, unlawful or unenforceable under any applicable statute or other controlling law, the remainder of the Plan will continue in full force and effect.

**29. PLAN YEAR**

The plan year is the Employer's fiscal year.

**30. RETURN OF EMPLOYER PROPERTY**

You must return all Employer property (*e.g.*, corporate credit cards, keys and access cards, identification cards, documents and records, laptop computers and related accessories, cell phones, smart phones, or other personal devices provided by the Employer, business equipment,

home office equipment and confidential information) no later than your Separation Date to be eligible to receive severance pay or benefits under the Plan. The Employer will have no obligation to provide severance pay or benefits to you unless the Plan Administrator is satisfied that you have returned to the Employer all Employer property you possess or control. Your access to the Employer's property and facilities will end immediately upon your Separation Date.

**31. COOPERATION WITH THE EMPLOYER**

As requested by the Employer, you agree to fully cooperate with the Employer and to provide information and/or testimony regarding any current or future litigation arising from actions or events occurring during your employment with the Employer.

**32. EXPENSES**

You must submit all expenses, including receipts and other supporting documents, payable under the Company's Global Travel and Entertainment Policy no later than thirty (30) days following your Separation Date.

**33. MAXIMUM PAYMENTS**

Except as otherwise provided by the Employer in its sole discretion, the severance pay and benefits available under the Plan are the maximum payments available by the Employer in the event of involuntary termination of employment. To the extent that a federal, state or local law, including the Worker Adjustment and Retraining Notification Act ("WARN"), requires the Employer to give advance notice or make a payment to an eligible employee because of involuntary termination of employment, layoff, plant closing, sale of business or other similar event (collectively, "WARN Event"), the amount of such required payment shall coordinate with and reduce the severance pay and benefits otherwise payable under the Plan. If, however, severance pay and benefits are totally offset by any payment required for a WARN Event, the Employer, in its sole discretion, may pay you \$1,000.00 in severance pay as consideration of the Release provided you execute and do not later revoke the Release.

**34. CODE SECTION 409A COMPLIANCE**

It is the Company's intent that amounts paid under this Plan shall not constitute "deferred compensation" as that term is defined under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder, as either short-term deferrals under Treas. Reg. Section 1.409A-1(b)(4) or an involuntary separation pay plan under Treas. Reg. Section 1.409A-1(b)(9).

**35. RIGHTS UNDER ERISA**

As an eligible employee under the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that eligible employees under the Plan will be entitled to:

(a) Examine without charge at the Plan Administrator's office (and at other specified locations) all Plan documents and copies of all documents filed by the Plan Administrator with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions.

(b) Obtain copies of all Plan documents and other Plan information upon written requests to the Plan Administrator. The Plan Administrator may charge a reasonable fee for the copies.

(c) In addition to creating rights for eligible employees, ERISA imposes duties upon the people who are responsible for the operation of the Plan:

(d) The people who operate the Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interests of eligible employees.

(e) No one, including an Employer or any other person, may fire an eligible employee or otherwise discriminate against an eligible employee in any way to prevent him or her from obtaining a benefit or exercising his or her rights under ERISA.

(f) If a claim for Plan benefits is denied, a written explanation of the reason for the denial must be provided. An eligible employee has the right to have the Plan Administrator review and reconsider his or her claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan Administrator and you do not receive them within thirty (30) days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and to pay you up to one-hundred and ten dollars (\$110) per day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for pay or benefits from the Plan that is denied or ignored, you may file suit in a state or federal court. If it should happen that fiduciaries misuse the Plan’s assets, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for instance, if it finds your claim to be frivolous.

If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. You may also obtain certain publications regarding your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

### **36. NONDUPLICATION**

Notwithstanding anything to the contrary in the foregoing, you shall not be entitled to any benefits under this Plan if you are receiving benefits under the Under Armour Executive Change in Control Plan.

### **37. REPAYMENT AS A RESULT OF CERTAIN IMPROPER CONDUCT**

Certain compensation payable under this Plan may be subject to the Company’s right of recovery as required by the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection

Act or any other “clawback” provision required by applicable law or the listing standards of the New York Stock Exchange, or as may be adopted by Company from time to time. By participating in this Plan, you acknowledge and agree that nothing in this Plan limits the Company’s right of recovery under such applicable provisions.

**38. GENERAL INFORMATION**

- (a) Name of Plan: Under Armour, Inc. Executive Severance Program
- (b) Plan Sponsor: Under Armour, Inc. 1020  
Hull Street Baltimore, MD 21230
- (c) Plan Sponsor’s  
Identification Number: 52-1990078
- (d) Plan Administrator: Human Capital and Compensation Committee of  
the Board of Directors of Under Armour, Inc.  
Attn: Chief People & Administrative Officer  
1020 Hull Street Baltimore, MD 21230 667-400-2008
- (e) Agent for Service: Under Armour, Inc.  
Attn: Vice President, Deputy General Counsel, Litigation and Insurance  
1020 Hull Street  
Baltimore, MD 21230  
410-454-6508
- (f) Plan Year: Under Armour, Inc.’s Fiscal Year

Under Armour, Inc. hereby adopts this amendment and restated of this Plan, effective February 7, 2023, by execution of this document by Under Armour, Inc.’s duly authorized officer, this 7th day of February, 2023.

**UNDER ARMOUR, INC.**

/s/ David Bergman

David Bergman

Chief Financial Officer

**Exhibit A**  
**List of Participating Affiliates**

Under Armour, Inc.  
Under Armour Retail, Inc.

THIRD AMENDED AND RESTATED 2005 OMNIBUS  
LONG-TERM INCENTIVE PLAN

TIME BASED RESTRICTED STOCK UNIT GRANT AGREEMENT

THIS AGREEMENT, made as of \_\_\_\_\_, 2023, (the "Agreement") between UNDER ARMOUR, INC. (the "Company") and \_\_\_\_\_ (the "Grantee").

WHEREAS, the Company has adopted the Third Amended and Restated 2005 Omnibus Long-Term Incentive Plan, as may be further amended and restated (the "Plan"), which has been delivered or made available to the Grantee, to promote the interests of the Company and its stockholders by providing the Company's key employees and others with an appropriate incentive to encourage them to continue in the employ of the Company and to improve the growth and profitability of the Company; and

WHEREAS, the Plan provides for the grant to participants in the Plan of restricted share units, which may be settled in shares of the Company's Class C stock (the "Class C Stock").

NOW, THEREFORE, in consideration of the promises and the mutual covenants set forth herein, the parties hereby agree as follows:

1. Definitions.

(a) "Cause" shall mean the occurrence of any of the following: (i) the Grantee's material misconduct or neglect in the performance of his or her duties; (ii) the Grantee's commission of any felony, offense punishable by imprisonment in a state or federal penitentiary, any offense, civil or criminal, involving material dishonesty, fraud, moral turpitude or immoral conduct or any crime of sufficient import to potentially discredit or adversely affect the Company's ability to conduct its business in the normal course; (iii) the Grantee's material breach of the Company's written Code of Conduct, as in effect from time to time; (iv) the Grantee's commission of any act that results in severe harm to the Company, excluding any act taken by the Grantee in good faith that he or she reasonably believed was in the best interests of the Company; or (v) the Grantee's material breach of the Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between the Grantee and the Company (the "Confidentiality, Non-Compete and Non-Solicitation Agreement") attached hereto as Attachment A. However, none of the foregoing events or conditions will constitute Cause unless the Company provides the Grantee with written notice of the event or condition and thirty (30) days to cure such event or condition (if curable) and the event or condition is not cured within such 30-day period.

(b) "Good Reason" shall mean the occurrence of any of the following events: (i) a material diminishment in the scope of the Grantee's duties or responsibilities with the Company; (ii) a material reduction in the Grantee's current base salary, bonus opportunity or a material reduction in the aggregate benefits or perquisites; or (iii) a requirement that the Grantee relocate more than fifty (50) miles from his or her primary place of business as of the date of a Change in Control, or a significant increase in required travel as part of the Grantee's duties and responsibilities with the Company. However, none of the foregoing events or conditions will constitute Good Reason unless (A) the Grantee provides the Company with written objection to the event or condition within ninety (90) days following the occurrence thereof, (B) the Company does not reverse or otherwise cure the event or condition within thirty (30) days of receiving such written objection, and (C) the Grantee resigns his or her employment within thirty (30) days following the expiration of such cure period.

(c) "Retirement" shall mean the Grantee's voluntary termination from employment after attainment of age 62 with at least five (5) years of continuous service (or after other significant service to the Company, as determined to be satisfied by the Chief Executive Officer and Chief Financial Officer of

the Company in writing); provided, however, that the termination was not occasioned by a discharge for Cause.

(d) An award will qualify as a "Substitute Award" if it is assumed, substituted or replaced by a Successor with awards that, solely in the discretion of the Human Capital and Compensation Committee of the Board, preserves the existing value of the outstanding Restricted Stock Units at the time of the Change in Control and provides vesting and payout terms that are at least as favorable to the Grantee as the vesting and payout terms applicable to the Restricted Stock Units.

(e) "Successor" shall mean the continuing or successor organization, as the case may be, following a Change in Control.

2. Grant of Restricted Stock Units. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Grantee an Award of Restricted Stock Units covering \_\_\_\_\_ shares of the Class C Stock (collectively, the "Restricted Stock Units"). The Purchase Price for the Restricted Stock Units shall be paid by Grantee's services to the Company. The Grantee represents that the Restricted Stock Units are being acquired for investment and not with a view toward the distribution or sale thereof.

3. Grant Date. The Grant Date of the Restricted Stock Units hereby granted is \_\_\_\_\_, 2023.

4. Incorporation of the Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of this Agreement, as interpreted by the Board, or a Committee thereof, shall govern. Unless otherwise indicated herein, all capitalized terms used herein shall have the meanings given to such terms in the Plan.

5. Vesting and Settlement of Awards.

(a) Vesting. The Restricted Stock Units shall vest in three equal annual installments on May 15, 2024, May 15, 2025 and May 15, 2026; provided that (i) the Grantee remains continuously employed by the Company through each such applicable vesting date, and (ii) the Grantee has duly executed this Agreement within one (1) year of receipt of the Agreement. Except as provided in Section 5(b), all unvested Restricted Stock Units will be automatically forfeited if the Grantee terminates employment for any reason prior the applicable vesting date.

(b) Special Vesting Upon Death, Disability and Retirement. Notwithstanding Section 5(a), in the event that the Grantee's employment with the Company is terminated upon the occurrence of an event specified in sub-clauses (i) or (ii) below, the Restricted Stock Units shall vest on the dates specified in sub-clauses (i) or (ii) (as applicable) below:

i. In the event of the Grantee's death or Disability at any time, all unvested Restricted Stock Units not previously forfeited shall immediately vest on the date of the Grantee's death or termination of employment as a result of Disability; and

ii. In the event of the Grantee's Retirement, (A) if the Grantee's date of Retirement is on or after the first vesting date specified in Section 5(a), all of the remaining Restricted Stock Units shall immediately vest on such date of Retirement and (B) if the Grantee's date of Retirement is before the first vesting date specified in Section 5(a), the following number of the Restricted Stock Units will vest: (x) the total number of Restricted Stock Units covered by this Agreement, multiplied by (y) a fraction, the numerator of which is the number of months immediately following the Grant Date during which the Grantee was continuously employed by the Company (rounded up to the nearest whole month) and the denominator of which is the number of months between the Grant Date and the final vesting date as specified by Section 5(a) (rounded to the nearest whole month). For the avoidance of doubt, if the Grantee's date of

Retirement is before the first vesting date specified in Section 5(a), all Restricted Stock Units that did not vest in accordance with the preceding sentence shall be forfeited.

(c) Settlement of Awards. On the first business day after each vesting date described in Sections 5(a) or 5(b), as applicable, the Company shall deliver to the Grantee the number of shares of the Class C Stock to which Grantee's vested Restricted Stock Units relate.

6. Change in Control.

(a) In the event of a Change in Control in which the Restricted Stock Units will not be continued, assumed or substituted with Substitute Awards, all of the Restricted Stock Units not otherwise forfeited shall vest in full on the day immediately prior to the date of the consummation of the transaction(s) that constitutes the Change in Control.

(b) In the event of a Change in Control following which the Restricted Stock Units will be continued, assumed or substituted with Substitute Awards, any Substitute Awards shall vest on the dates set forth in Section 5(a) or 5(b), as applicable, of this Agreement.

(c) If the Restricted Stock Units are substituted with Substitute Awards as set forth in Section 6(b) above, and within two (2) years following the Change in Control the Grantee is terminated by the Successor (or an affiliate thereof) without Cause or resigns for Good Reason, the Substitute Awards shall immediately vest upon such termination or resignation.

(d) On the first business day after each vesting date set forth in Sections 6(a), (b) or (c), as applicable, the Company shall deliver to the Grantee the shares of the Class C Stock to which Grantee's vested Restricted Stock Units or Substitute Awards, as applicable, relate.

7. Forfeiture. Subject to the provisions of the Plan and Sections 5 and 6 of this Agreement, with respect to the Restricted Stock Units which have not become vested on the date the Grantee's employment terminates, the Award of Restricted Stock Units shall expire and such unvested Restricted Stock Units shall immediately be forfeited on such date.

8. Employee Confidentiality, Non-Competition and Non-Solicitation Agreement. As a condition to the grant of the Restricted Stock Units, the Grantee shall have executed and become a party to the Confidentiality, Non-Compete and Non-Solicitation Agreement.

9. No Shareholder Rights. The Grantee does not have any rights of a shareholder with respect to the Restricted Stock Units. No dividend equivalents will be earned or paid with regard to the Restricted Stock Units.

10. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party hereto upon any breach or default of any party under this Agreement, shall impair any such right, power or remedy of such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party or any provisions or conditions of this Agreement, shall be in writing and shall be effective only to the extent specifically set forth in such writing.

11. Integration. This Agreement and the Plan (including the Confidentiality, Non-Compete and Non-Solicitation Agreement) contain the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein and in the Plan. This Agreement and the Plan supersede all prior agreements and understandings between the parties with respect to its subject matter.

12. Withholding Taxes. The Grantee agrees, as a condition of this grant, that the Grantee will make acceptable arrangements to pay any withholding or other taxes that may be due as a result of vesting of the Restricted Stock Units or delivery of the Class C Stock or other shares acquired in connection with this Award. In the event that the Company determines that any federal, state, local, municipal or foreign tax or withholding payment is required relating to the vesting of the Restricted Stock Units or delivery of the Class C Stock or other shares acquired in connection with this Award, the Company shall have the right to require such payments from the Grantee in the form and manner as provided in the Plan. The Grantee authorizes the Company at its discretion to satisfy its withholding obligations, if any, by one or a combination of the following:

- (a) to the extent permitted by applicable laws, withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company; or
- (b) withholding from proceeds of the sale of shares of the Class C Stock acquired upon settlement of the Restricted Stock Units, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent required); or
- (c) withholding in shares of the Class C Stock to be issued upon settlement of the Restricted Stock Units; or
- (d) by any other method deemed by the Company to comply with applicable laws.

13. Data Privacy. The Company is located at 1020 Hull Street Baltimore, MD 21230-2080, U.S.A. and grants Restricted Stock Units to employees of the Company and its Subsidiaries and Affiliates, at the Company's sole discretion. The Grantee acknowledges that he or she has reviewed the following information about the Company's data processing practices and declares his or her consent.

- (a) Collection and Usage. The Company collects, processes and uses personal employee data, including name, home address, email address and telephone number, date of birth, social insurance number, passport number or other identification number, salary, citizenship, job title, any shares of Class C Stock or directorships held in the Company, and details of all equity awards granted, canceled, vested or outstanding in the Grantee's favor, which the Company receives from the Grantee or the Employer ("Data"). If the Company grants the Grantee equity rights under the Plan, then the Company will collect the Grantee's Data for purposes of allocating shares of Class C Stock and implementing, administering and managing the Plan. The Company's legal basis for the collection, processing, and use of the Grantee's Data is the Grantee's consent.
- (b) Stock Plan Service Provider. The Company transfers the Grantee's Data to The Charles Schwab Corporation, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share my Data with another company that serves in a similar manner. The Company's service provider will open an account for the Grantee to receive and trade shares of Class C Stock. The Grantee will be asked to agree on separate terms and data processing practices with the service provider, which is a condition to the Grantee's ability to participate in the Plan.
- (c) [Reserved].
- (d) Voluntariness and Consequences of Consent, Denial or Withdrawal. The Grantee's participation in the Plan and the Grantee's grant of consent hereunder is purely voluntary. The Grantee may deny or withdraw his or her consent at any time. If the Grantee does not consent, or if the Grantee later withdraws his or her consent, the Grantee may be

unable to participate in the Plan. This would not affect the Grantee's existing employment or salary; instead, the Grantee merely may forfeit the opportunities associated with participation in the Plan.

- (e) Data Retention. The Grantee understands that the Grantee's Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan.
- (f) Data Subject Rights. The Grantee understands that the Grantee may have the right under applicable law to (i) access or copy the Grantee's Data that the Company possesses, (ii) rectify incorrect Data concerning the Grantee, (iii) delete the Grantee's Data, (iv) restrict processing of the Grantee's Data, or (v) lodge complaints with the competent supervisory authorities in the Grantee's country of residence. To receive clarification regarding these rights or to exercise these rights, the Grantee understands that the Grantee can contact Human Resources at Totalrewards@underarmour.com. The Company will process the Grantee's requests related to these rights as the law allows, which means in some cases there may be legal or other official reasons that Company may not be able to address the specific request related to the Grantee's rights to protect the Grantee's privacy. The Company will take steps to verify the Grantee identity before fulfilling any such request.

If the Grantee agrees with the data processing practices as described in this notice, he or she should declare his or her consent by clicking "Accept" on the Charles Schwab award acceptance page.

14. Section 409A. It is intended that the Restricted Stock Units awarded hereunder be exempt from the application of Section 409A of the Internal Revenue Code and applicable guidance thereunder ("Section 409A") and the Plan and this Agreement shall be construed in a manner that effects such intent. However, the tax treatment of the benefits provided under the Plan or this Agreement is not warranted or guaranteed. Notwithstanding anything to the contrary, to the extent any amount or benefit would constitute non-exempt deferred compensation for purposes of Section 409A, the Plan and this Agreement shall be interpreted and administered in compliance with Section 409A, including the requirement that if the Company determines that the Grantee is a "specified employee" within the meaning of Section 409A, then to the extent any payment under this Agreement on account of the Grantee's separation from service would be considered nonqualified deferred compensation under Section 409A, such payment shall be delayed until the earlier of (a) the date that is six months and one day after the date of such separation from employment or (b) the date of the Grantee's death.

15. Electronic Delivery. The Company may choose to deliver certain statutory materials relating to the Plan in electronic form. By accepting this grant the Grantee agrees that the Company may deliver the Plan prospectus and the Company's annual report to the Grantee in an electronic format. If at any time the Grantee would prefer to receive paper copies of these documents, as the Grantee is entitled to receive, the Company would be pleased to provide copies. The Grantee should contact \_\_\_\_\_ to request paper copies of these documents.

16. Counterparts; Electronic Signature. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement may be signed by the Company through application of an authorized officer's signature, and may be signed by the Grantee through an electronic signature.

17. Governing Law; Venue. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Maryland, without regard to the provisions governing conflict of laws. For purposes of litigating any dispute that arises under this Award of Restricted Stock Units or this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Maryland, and agree that such litigation will be conducted in the jurisdiction and venue of the United States District Court for the District of Maryland or, in the event such jurisdiction is not available, any of the appropriate courts of the State of Maryland, and no other courts.

18. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. Grantee Acknowledgment. The Grantee hereby acknowledges receipt of a copy of the Plan. The Grantee hereby acknowledges that all decisions, determinations and interpretations of the Board, or a Committee thereof, in respect of the Plan, this Agreement and this Award of Restricted Stock Units shall be final and conclusive.

The Company has caused this Agreement to be duly executed by its duly authorized officer and said Grantee has hereunto signed this Agreement on the Grantee's own behalf, thereby representing that the Grantee has carefully read and understands this Agreement and the Plan as of the day and year first written above.

UNDER ARMOUR, INC.

By:

GRANTEE

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**THIRD AMENDED AND RESTATED 2005 OMNIBUS  
LONG-TERM INCENTIVE PLAN**

**TIME BASED RESTRICTED STOCK UNIT GRANT AGREEMENT**

THIS AGREEMENT, made as of \_\_\_\_\_, 202\_, (the "Agreement") between UNDER ARMOUR, INC. (the "Company") and \_\_\_\_\_ (the "Grantee").

WHEREAS, the Company has adopted the Third Amended and Restated 2005 Omnibus Long-Term Incentive Plan, as may be further amended and restated (the "Plan"), which has been delivered or made available to the Grantee, to promote the interests of the Company and its stockholders by providing the Company's key employees and others with an appropriate incentive to encourage them to continue in the employ of the Company and to improve the growth and profitability of the Company; and

WHEREAS, the Plan provides for the grant to participants in the Plan of restricted share units, which may be settled in shares of the Company's Class C stock (the "Class C Stock").

NOW, THEREFORE, in consideration of the promises and the mutual covenants set forth herein, the parties hereby agree as follows:

1. Definitions.

(a) "Cause" shall mean the occurrence of any of the following: (i) the Grantee's material misconduct or neglect in the performance of his or her duties; (ii) the Grantee's commission of any felony, offense punishable by imprisonment in a state or federal penitentiary, any offense, civil or criminal, involving material dishonesty, fraud, moral turpitude or immoral conduct or any crime of sufficient import to potentially discredit or adversely affect the Company's ability to conduct its business in the normal course; (iii) the Grantee's material breach of the Company's written Code of Conduct, as in effect from time to time; (iv) the Grantee's commission of any act that results in severe harm to the Company, excluding any act taken by the Grantee in good faith that he or she reasonably believed was in the best interests of the Company; or (v) the Grantee's material breach of the Employee Confidentiality, Non-Competition and Non-Solicitation Agreement by and between the Grantee and the Company (the "Confidentiality, Non-Compete and Non-Solicitation Agreement") attached hereto as Attachment A. However, none of the foregoing events or conditions will constitute Cause unless the Company provides the Grantee with written notice of the event or condition and thirty (30) days to cure such event or condition (if curable) and the event or condition is not cured within such 30-day period.

(b) "Good Reason" shall mean the occurrence of any of the following events: (i) a material diminishment in the scope of the Grantee's duties or responsibilities with the Company; (ii) a material reduction in the Grantee's current base salary, bonus opportunity or a material reduction in the aggregate benefits or perquisites; or (iii) a requirement that the Grantee relocate more than fifty (50) miles from his or her primary place of business as of the date of a Change in Control, or a significant increase in required travel as part of the Grantee's duties and responsibilities with the Company. However, none of the foregoing events or conditions will constitute Good Reason unless (A) the Grantee provides the Company with written objection to the event or condition within ninety (90) days following the occurrence thereof, (B) the Company does not reverse or otherwise cure the event or condition within thirty (30) days of receiving such written objection, and (C) the Grantee resigns his or her employment within thirty (30) days following the expiration of such cure period.

(c) [RESERVED].

(d) An award will qualify as a "Substitute Award" if it is assumed, substituted or replaced by a Successor with awards that, solely in the discretion of the Human Capital and Compensation Committee

of the Board, preserves the existing value of the outstanding Restricted Stock Units at the time of the Change in Control and provides vesting and payout terms that are at least as favorable to the Grantee as the vesting and payout terms applicable to the Restricted Stock Units.

(e) "Successor" shall mean the continuing or successor organization, as the case may be, following a Change in Control.

2. Grant of Restricted Stock Units. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Grantee an Award of Restricted Stock Units covering \_\_\_\_\_ shares of the Class C Stock (collectively, the "Restricted Stock Units"). The Purchase Price for the Restricted Stock Units shall be paid by Grantee's services to the Company. The Grantee represents that the Restricted Stock Units are being acquired for investment and not with a view toward the distribution or sale thereof.

3. Grant Date. The Grant Date of the Restricted Stock Units hereby granted is \_\_\_\_\_, 202\_.

4. Incorporation of the Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of this Agreement, as interpreted by the Board, or a Committee thereof, shall govern. Unless otherwise indicated herein, all capitalized terms used herein shall have the meanings given to such terms in the Plan.

5. Vesting and Settlement of Awards.

(a) Vesting. The Restricted Stock Units shall vest in accordance with Exhibit 1 (which is attached to this Agreement and incorporated herein and made a part hereof as if stated herein); provided that (i) the Grantee remains continuously employed by the Company through each such applicable vesting date, and (ii) the Grantee has duly executed this Agreement within one (1) year of receipt of the Agreement. Except as provided in Section 5(b), all unvested Restricted Stock Units will be automatically forfeited if the Grantee terminates employment for any reason prior the applicable vesting date.

(b) Special Vesting Upon Death or Disability. Notwithstanding Section 5(a), in the event that the Grantee's employment with the Company is terminated upon the occurrence of an event specified in sub-clauses (i) or (ii) below, the Restricted Stock Units shall vest on the dates specified in sub-clauses (i) or (ii) (as applicable) below:

i. In the event of the Grantee's death or Disability at any time, all unvested Restricted Stock Units not previously forfeited shall immediately vest on the date of the Grantee's death or termination of employment as a result of Disability; and

ii. [RESERVED].

(c) Settlement of Awards. On the first business day after each vesting date described in Sections 5(a) or 5(b), as applicable, the Company shall deliver to the Grantee the number of shares of the Class C Stock to which Grantee's vested Restricted Stock Units relate.

6. Change in Control.

(a) In the event of a Change in Control in which the Restricted Stock Units will not be continued, assumed or substituted with Substitute Awards, all of the Restricted Stock Units not otherwise forfeited shall vest in full on the day immediately prior to the date of the consummation of the transaction(s) that constitutes the Change in Control.

(b) In the event of a Change in Control following which the Restricted Stock Units will be continued, assumed or substituted with Substitute Awards, any Substitute Awards shall vest on the dates set forth in Section 5(a) or 5(b), as applicable, of this Agreement.

(c) If the Restricted Stock Units are substituted with Substitute Awards as set forth in Section 6(b) above, and within two (2) years following the Change in Control the Grantee is terminated by the

Successor (or an affiliate thereof) without Cause or resigns for Good Reason, the Substitute Awards shall immediately vest upon such termination or resignation.

(d) On the first business day after each vesting date set forth in Sections 6(a), (b) or (c), as applicable, the Company shall deliver to the Grantee the shares of the Class C Stock to which Grantee's vested Restricted Stock Units or Substitute Awards, as applicable, relate.

7. Forfeiture. Subject to the provisions of the Plan and Sections 5 and 6 of this Agreement, with respect to the Restricted Stock Units which have not become vested on the date the Grantee's employment terminates, the Award of Restricted Stock Units shall expire and such unvested Restricted Stock Units shall immediately be forfeited on such date.

8. Employee Confidentiality, Non-Competition and Non-Solicitation Agreement. As a condition to the grant of the Restricted Stock Units, the Grantee shall have executed and become a party to the Confidentiality, Non-Compete and Non-Solicitation Agreement.

9. No Shareholder Rights. The Grantee does not have any rights of a shareholder with respect to the Restricted Stock Units. No dividend equivalents will be earned or paid with regard to the Restricted Stock Units.

10. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party hereto upon any breach or default of any party under this Agreement, shall impair any such right, power or remedy of such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party or any provisions or conditions of this Agreement, shall be in writing and shall be effective only to the extent specifically set forth in such writing.

11. Integration. This Agreement and the Plan (including the Confidentiality, Non-Compete and Non-Solicitation Agreement) contain the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein and in the Plan. This Agreement and the Plan supersede all prior agreements and understandings between the parties with respect to its subject matter.

12. Withholding Taxes. The Grantee agrees, as a condition of this grant, that the Grantee will make acceptable arrangements to pay any withholding or other taxes that may be due as a result of vesting of the Restricted Stock Units or delivery of the Class C Stock or other shares acquired in connection with this Award. In the event that the Company determines that any federal, state, local, municipal or foreign tax or withholding payment is required relating to the vesting of the Restricted Stock Units or delivery of the Class C Stock or other shares acquired in connection with this Award, the Company shall have the right to require such payments from the Grantee in the form and manner as provided in the Plan. The Grantee authorizes the Company at its discretion to satisfy its withholding obligations, if any, by one or a combination of the following:

- (a) to the extent permitted by applicable laws, withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company; or
- (b) withholding from proceeds of the sale of shares of the Class C Stock acquired upon settlement of the Restricted Stock Units, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent required); or
- (c) withholding in shares of the Class C Stock to be issued upon settlement of the Restricted Stock Units; or
- (d) by any other method deemed by the Company to comply with applicable laws.

13. Data Privacy. The Company is located at 1020 Hull Street Baltimore, MD 21230-2080, U.S.A. and grants Restricted Stock Units to employees of the Company and its Subsidiaries and Affiliates, at the Company's sole discretion. The Grantee acknowledges that he or she has reviewed the following information about the Company's data processing practices and declares his or her consent.

- (a) Collection and Usage. The Company collects, processes and uses personal employee data, including name, home address, email address and telephone number, date of birth, social insurance number, passport number or other identification number, salary, citizenship, job title, any shares of Class C Stock or directorships held in the Company, and details of all equity awards granted, canceled, vested or outstanding in the Grantee's favor, which the Company receives from the Grantee or the Employer ("Data"). If the Company grants the Grantee equity rights under the Plan, then the Company will collect the Grantee's Data for purposes of allocating shares of Class C Stock and implementing, administering and managing the Plan. The Company's legal basis for the collection, processing, and use of the Grantee's Data is the Grantee's consent.
- (b) Stock Plan Service Provider. The Company transfers the Grantee's Data to The Charles Schwab Corporation, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share my Data with another company that serves in a similar manner. The Company's service provider will open an account for the Grantee to receive and trade shares of Class C Stock. The Grantee will be asked to agree on separate terms and data processing practices with the service provider, which is a condition to the Grantee's ability to participate in the Plan.
- (c) [Reserved].
- (d) Voluntariness and Consequences of Consent, Denial or Withdrawal. The Grantee's participation in the Plan and the Grantee's grant of consent hereunder is purely voluntary. The Grantee may deny or withdraw his or her consent at any time. If the Grantee does not consent, or if the Grantee later withdraws his or her consent, the Grantee may be unable to participate in the Plan. This would not affect the Grantee's existing employment or salary; instead, the Grantee merely may forfeit the opportunities associated with participation in the Plan.
- (e) Data Retention. The Grantee understands that the Grantee's Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan.
- (f) Data Subject Rights. The Grantee understands that the Grantee may have the right under applicable law to (i) access or copy the Grantee's Data that the Company possesses, (ii) rectify incorrect Data concerning the Grantee, (iii) delete the Grantee's Data, (iv) restrict processing of the Grantee's Data, or (v) lodge complaints with the competent supervisory authorities in the Grantee's country of residence. To receive clarification regarding these rights or to exercise these rights, the Grantee understands that the Grantee can contact Human Resources at Totalrewards@underarmour.com. The Company will process the Grantee's requests related to these rights as the law allows, which means in some cases there may be legal or other official reasons that Company may not be able to address the specific request related to the Grantee's rights to protect the Grantee's privacy. The Company will take steps to verify the Grantee identity before fulfilling any such request.

If the Grantee agrees with the data processing practices as described in this notice, he or she should declare his or her consent by clicking "Accept" on the Charles Schwab award acceptance page.

14. Section 409A. It is intended that the Restricted Stock Units awarded hereunder be exempt from the application of Section 409A of the Internal Revenue Code and applicable guidance thereunder ("Section 409A") and the Plan and this Agreement shall be construed in a manner that effects such intent. However, the tax treatment of the benefits provided under the Plan or this Agreement is not warranted or guaranteed. Notwithstanding anything to the contrary, to the extent any amount or benefit would constitute non-exempt deferred compensation for purposes of Section 409A, the Plan and this Agreement shall be interpreted and administered in compliance with Section 409A, including the requirement that if the Company determines that the Grantee is a "specified employee" within the meaning of Section 409A, then to the extent any payment under this Agreement on account of the Grantee's separation from service would be considered nonqualified deferred compensation under Section 409A, such payment shall be delayed until the earlier of (a) the date that is six months and one day after the date of such separation from employment or (b) the date of the Grantee's death.

15. Electronic Delivery. The Company may choose to deliver certain statutory materials relating to the Plan in electronic form. By accepting this grant the Grantee agrees that the Company may deliver the Plan prospectus and the Company's annual report to the Grantee in an electronic format. If at any time the Grantee would prefer to receive paper copies of these documents, as the Grantee is entitled to receive, the Company would be pleased to provide copies. The Grantee should contact \_\_\_\_\_ to request paper copies of these documents.

16. Counterparts; Electronic Signature. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement may be signed by the Company through application of an authorized officer's signature, and may be signed by the Grantee through an electronic signature.

17. Governing Law; Venue. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Maryland, without regard to the provisions governing conflict of laws. For purposes of litigating any dispute that arises under this Award of Restricted Stock Units or this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Maryland, and agree that such litigation will be conducted in the jurisdiction and venue of the United States District Court for the District of Maryland or, in the event such jurisdiction is not available, any of the appropriate courts of the State of Maryland, and no other courts.

18. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. Grantee Acknowledgment. The Grantee hereby acknowledges receipt of a copy of the Plan. The Grantee hereby acknowledges that all decisions, determinations and interpretations of the Board, or a Committee thereof, in respect of the Plan, this Agreement and this Award of Restricted Stock Units shall be final and conclusive.

The Company has caused this Agreement to be duly executed by its duly authorized officer and said Grantee has hereunto signed this Agreement on the Grantee's own behalf, thereby representing that the Grantee has carefully read and understands this Agreement and the Plan as of the day and year first written above.

UNDER ARMOUR, INC.

By:

GRANTEE

\_\_\_\_\_

EXHIBIT 1  
VESTING SCHEDULE

Vesting Date	Percentage of Restricted Stock Units Vesting

**EXECUTIVE EMPLOYEE CONFIDENTIALITY, NON-  
COMPETITION, AND NON-SOLICITATION AGREEMENT**

This Confidentiality, Non-Competition, and Non-Solicitation Agreement (“Agreement”) is entered into on\_, by **Under Armour, Inc.** (“UA” together with its affiliates, the “Company”) and (“Employee”) (collectively with the Company, the “Parties”).

**EXPLANATORY NOTE**

Employee recognizes and acknowledges that consistent with Employee's leadership role in the Company, Employee will have or will continue to have broad access to confidential business information during the course of Employee's employment, the improper disclosure or use of which during or after Employee's employment would cause irreparable harm to the Company and create unfair competition. Employee's role in the Company brings with it the responsibility, whether directly or indirectly, for generating and/or maintaining the goodwill of the Company with its Customers, Suppliers, employees, business prospects, and others. During the course of UA employment, Employee may be provided specialized training by the Company regarding or otherwise related to the Company's confidential business information and methods. Employee further acknowledges that employment or continued employment with UA is based on Employee's agreement to abide by the covenants contained herein.

NOW THEREFORE, in consideration of Employee's employment or continued employment with UA, Employee's receipt of Confidential Information (defined below), and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, the Parties agree as follows:

**1. Confidentiality.** Employee acknowledges Employee's fiduciary duty and duty of loyalty to the Company, and the obligations arising from them not to disclose business information provided or acquired on a confidential basis. Further, Employee acknowledges that the Company, in reliance on this Agreement, will provide Employee access to trade secrets, customers, proprietary data and/or other Confidential Information. Employee agrees to retain this information as confidential and not to use this information for Employee's personal benefit or the benefit of anyone other than the Company or to disclose it to any third party, except when required to do so to properly perform duties for the Company. Further, as a condition of employment, during the time Employee is employed by UA and continuing after any termination of Employee's employment, Employee agrees to protect and hold in a fiduciary capacity for the benefit of the Company all Confidential Information, as defined below, unless Employee is required to disclose Confidential Information pursuant to the terms of a valid and effective order issued by a court of competent jurisdiction or a governmental authority. In the event that Employee receives an order or other legal demand, such as a subpoena, discovery request, or order of a court or other body having jurisdiction over such matter, to produce any Confidential Information or other information concerning the Company, Employee agrees to promptly provide the Company (The Vice President, Litigation) with written notice of such subpoena, order, demand or discovery request so that the Company may timely move to quash if appropriate. Employee shall use Confidential Information solely for the purpose of carrying out those duties assigned to Employee and not for any other purpose. The disclosure of Confidential Information

to Employee shall not be construed as granting to Employee any license under any copyright, trade secret, or right of ownership or any other right to use the Confidential Information whatsoever.

(a) For purposes of this Agreement, "Confidential Information" shall mean all information concerning the Company's business that is not generally known to the public and which became known to the Employee in the course of or by virtue of Employee's employment with UA. Confidential Information shall include, but shall not be limited to, designs, drawings, formulas, processes, methods, techniques, systems, models, samples, prototypes, contracts, reports, letters, notes, intellectual property, trade secrets and/or know-how, technical information, financial information and metrics (whether historical, projections or forecasts), and information concerning advertising, pricing, costs, business planning and strategy, operations, procedures, services, potential services, products, potential products, products under development, production, purchasing, marketing, sales, personnel (including identities, contact information, skills, performance, salary and benefits of other employees), customers, suppliers, or other information of the Company; any papers, data, records, devices, equipment, compilations, invoices, customer or supplier lists or contact information, compilations of names and addresses, or documents of the Company; any confidential information or trade secrets of any third party provided to the Company in confidence or subject to other use or disclosure restrictions or limitations; and any other information, written, oral, electronic, or retained in Employee's memory, whether existing now or at some time in the future, whether pertaining to current or future developments or prospects, and whether created, revealed or accessed during the Employee's employment, which pertains to the Company's affairs or interests or with whom or how the Company does business. The Company acknowledges and agrees that Confidential Information shall not include information which is or becomes publicly available other than as a result of a disclosure by the Employee or through other wrongful means.

(b) Employee shall immediately notify the Company if Employee has reason to believe that the unauthorized use, possession, or disclosure of any Confidential Information has occurred or may occur.

All physical or otherwise transferrable items containing Confidential Information, including, but not limited to, documentary, electronic or other recorded versions of any Confidential Information, shall remain the exclusive and confidential property of the Company and shall be immediately returned, along with any copies or notes that Employee made thereof or therefrom, to the Company when Employee ceases employment with UA. Employee further agrees to immediately return copies of any Confidential Information contained on Employee's home computer, portable computer or other data storage device (including but not limited to cell phones, zip drives, PDAs, iPads, etc.). Employee agrees to delete or destroy all copies of Confidential Information that are stored on any devices, networks, storage locations or media not owned by the Company and in Employee's possession or control. Employee also agrees to allow the Company, in its discretion at the time Employee's employment concludes and thereafter upon reasonable notice and for reasonable cause, access to any home computer, portable computer or other data storage device maintained by Employee, including, but not limited to, for the purpose of determining whether said Confidential Information has been misappropriated. Employee further acknowledges that all documents and records relating to Company business, including, but not limited to, those that Employee prepares or assists in preparing during employment with UA, belong to the Company and Employee agrees to promptly return them and all other property belonging to the Company, upon the conclusion of Employee's employment. Additionally, any personal mobile device used to perform work for the

Company or on the Company's behalf is subject to the Company's Bring Your Own Device to Work Policy and thus subject to the Company's right to remove any Confidential Information from those devices as more specifically described in the Bring Your Own Device to Work Policy.

(c) Nothing herein shall be construed to require Employee to withhold information in violation of any applicable state or federal law, or to prohibit Employee from reporting information where such reporting is protected by law. Further, nothing in this Agreement prohibits Employee from reporting an event that Employee reasonably and in good faith believes is a violation of law to a law-enforcement agency, cooperating in an investigation conducted by such a government agency (such as the Securities and Exchange Commission, Equal Employment Opportunity Commission, Department of Justice, and Department of Labor), or speaking with law enforcement. Nothing in this Agreement or this Paragraph 1 is intended to impair a non-managerial employee's right to engage in concerted protected activity under Section 7 of the National Labor Relations Act related to the employee's terms, conditions, wages, or benefits of employment.

## **2. Ownership of Works for Hire.**

(a) Employee agrees that any inventions, ideas, developments, methods, improvements, discoveries, innovations, software, works of authorship and any other intangible property, whether patentable or not, that are developed (in whole or in part), considered, contemplated or reduced to practice by Employee or under Employee's direction or jointly with others during Employee's employment with UA, whether or not during normal working hours or on the premises of the Company, shall be considered "Works for Hire" for the exclusive use by and benefit of the Company. Employee will make full and prompt disclosure to the Company of all such Works for Hire. Regardless of such disclosure, the Company shall own all rights to any Works for Hire, including without limitation all related patent rights and copyrights, items and developments that are subject to being patented and copyrighted, and the right to market (or not to market) any such property, and Employee agrees to assign and does hereby assign to the Company (or any person or entity designated by the Company) all of Employee's rights, title and interest in and to all Works for Hire and all related patents, patent applications, copyrights and copyright applications.

(b) Employee agrees to cooperate fully with the Company, both during and after Employee's employment with UA, with respect to the procurement, maintenance and enforcement of copyrights and patents (both in the United States and foreign countries) relating to Works for Hire. Employee shall sign all papers, including, without limitation, copyright applications, patent applications, declarations, oaths, formal assignments, assignments of priority rights, and powers of attorney that the Company may deem necessary or desirable in order to protect the Company's rights and interests in any Works for Hire.

(c) Employee specifically acknowledges that Employee's compensation and benefits constitute full payment for any Works for Hire and Employee waives any claim of right to such Works for Hire, which Employee further acknowledges belong entirely to the Company.

(d) The Company may, at its election and in its discretion, waive and/or relinquish any of its rights of ownership and royalties with respect to any Works for Hire, by agreeing to do so in a written instrument executed by the Company.

(e) If there is any invention related to the Company's business that Employee claims to own or have rights in because it was conceived, created, discovered or developed by

Employee prior to employment with UA or for some other reason, Employee has described the item and the date of its conception, creation, discovery or development in writing and attached it to this Agreement and labeled it as Appendix A (Prior Works), and has noted the number of pages of this attachment after the signature block at the end of this Agreement. If no such list is attached, Employee represents that there are no such prior inventions.

(f) Employee is directed to Appendix B for important state-specific modifications, if any, that apply to Employee with respect to this Paragraph 2.

**3. Definitions.** For purposes of this Agreement, the following terms have the meanings defined below.

(a) "Competitor Businesses" shall mean any business that at the time the Company seeks to enforce this covenant:

(1) competes with the Company in the business of premium branded performance athletic (a) apparel, (b) footwear, (c) equipment and/or (d) accessories (including, for example, and not by way of limitation, companies such as Nike, Adidas, Reebok, lululemon, Columbia, New Balance, Brooks, Puma or other premium athletic brands); or

(2) competes with any other line of business that the Company is involved with at the time of Employee's termination and in relation to which line of business Employee had access to and/or knowledge of Confidential Information or had engaged in establishing goodwill for the Company with its Customers or Suppliers.

(b) "Customer" shall mean any individual, business, or entity that (a) purchased products or services from the Company within the final twelve (12) months of Employee's employment; and (b) Employee had business contact with or provided services to, whether individually or with others, on behalf of the Company during the final twelve (12) months of Employee's employment. "Prospective Customer" shall mean any individual, business, or entity that Employee solicited or pursued, or assisted in soliciting or pursuing within the final twelve (12) months of Employee's employment for the purpose of selling products or services of the Company. Customers or Prospective Customers include, but are not limited to, wholesale distribution channels, which include independent and specialty retailers, institutional athletic departments, leagues and teams, national and regional sporting goods chains and department store chains.

(c) "Supplier" shall mean any individual, business, or entity (a) from whom the Company purchased products or services within the final twelve (12) months of Employee's employment; and (b) with whom Employee had business contact and obtained products and services on behalf of the Company during the final twelve (12) months of Employee's employment. "Prospective Supplier" shall mean any individual, business, or entity with whom Employee had business contact with and from whom Employee sought to obtain products or services from on behalf of the Company in the final twelve (12) months of Employee's employment. Suppliers or Prospective Suppliers include, but are not limited to, consultants, vendors, factories, and mills.

(d) "Territory" shall depend upon Employee's position as follows: (i) if Employee holds the title of SVP or above and Employee is provided Confidential Information, the Territory is global (for the avoidance of doubt, "global" used in this subparagraph means

worldwide); (ii) if Employee is in a position where Employee's responsibilities are not global but not geographically limited to an assigned location or territory and Employee is provided Confidential Information that is not geographically limited to an assigned location or territory (such as, by way of example but not limitation, management positions, marketers, and operations employees), then Territory means the United States (including state and state-equivalents and county and county-equivalents within the United States); (iii) if Employee is in a position with responsibilities and Confidential Information that are limited to an assigned territory or territories during the final twelve (12) months of Employee's employment, then Territory shall be the specific geographic territory or territories assigned to Employee during the final twelve (12) months of Employee's employment; and (iv) in the event that none of sub-paragraphs (d)(i), (ii), or (iii) apply, then the Territory is the county or counties that Employee performed services in or on behalf of the Company during the final twelve (12) months of Employee's employment.

**4. Non-Competition.** Employee hereby covenants and agrees that at no time during Employee's employment with UA and for a period of one (1) year immediately following termination of Employee's employment with UA, whether voluntary or involuntary (the "Non-Competition Restricted Period"), shall Employee, without the prior written consent of the Company:

(a) directly or through others work for, be contracted to or contract with, or provide strategic advice to a Competitor Business within the Territory in a capacity that is the same as or similar to the capacity in which Employee worked for UA and/or in a capacity in which Employee's knowledge of the Company's Confidential Information, and/or previous establishment of goodwill for the Company with its Customers or Suppliers, would be of value in Employee's work for the Competitor Business; or

(b) compete with the Company directly or through others as an employee, principal, agent, contractor, or otherwise participate in the sale or licensing of any products or services that at the time the Company seeks to enforce this Agreement, are competitive with the products or services developed, marketed, or sold by the Company and about which products and services Employee's knowledge of the Company's Confidential Information and/or previous establishment of goodwill with Customers or Suppliers would be of value in competing with the Company.

**5. Non-Solicitation and Non-Interference.** Employee hereby covenants and agrees that at no time during Employee's employment with UA and for a period of one (1) year immediately following termination of Employee's employment with UA, whether voluntary or involuntary (the "Non-Solicitation and Non-Interference Restricted Period"), shall Employee, without the prior written consent of the Company:

(a) Directly, indirectly or through others solicit or influence, or contact for purposes of soliciting or influencing, any Customer or Supplier, or Prospective Customer or Prospective Supplier, to terminate or adversely modify its relationship with the Company or to do business with a Competitor Business instead of the Company, nor shall Employee assist others in any such soliciting, influencing, contacting, communicating, or otherwise diverting such business; or

(b) Directly, indirectly or through others interfere with any transaction, agreement or business relationship between the Company and any Customer or Supplier, or Prospective Customer or Prospective Supplier; or

(c) Directly, indirectly or through others solicit or induce any then-current employee of the Company that Employee worked with or came to know as a result of Employee's employment with UA, to leave employment with the Company, or interfere in any way with such employment, and will not participate in the hiring of any such employee, including, without limitation, by identifying or targeting the Company's employees for that purpose and/or engaging them in new employment. Employee further agrees not to contact any such employee of the Company or to cause the employee to be contacted for the purpose or foreseeable effect of causing or inducing the employee to leave the Company's employment; or

(d) act in any way, directly, indirectly or through others, with the purpose or effect of soliciting, diverting or taking away any Customer or Supplier of the Company.

(e) The Parties agree that the obligations in this Paragraph 5 are inherently reasonable because they are limited to the places or locations where the Customers, Suppliers, Prospective Customers, Prospective Suppliers, and employees, respectively, are doing business or providing services at the time; however, if that is not sufficient, then Sections 5(a), 5(b), 5(c), and 5(d) shall be limited to the Territory.

**6. Additional Consideration.** As additional consideration for the noncompete obligations described in Paragraph 4 above, should the Company pursuant to those obligations require Employee to refrain from accepting employment or other work Employee has been offered that the Company, in its discretion, believes would violate Employee's obligations, the Company shall pay Employee an amount equal to sixty percent (60%) of Employee's weekly base pay as of the date of Employee's termination from UA ("Non-Competition Payment"). The Non-Competition Payment shall begin when the Company advises Employee of its belief that the proposed employment would violate the Employee's non-compete obligations and shall continue throughout the remaining duration of the Non-Competition Restricted Period. The Non-Competition Payment shall be paid in accordance with the Company's customary pay practices in effect at the time each payment is made, and shall be reduced by (a) the amount of severance, if any, that Employee receives from the Company, and (b) the amount of any pay received during the Non-Competition Restricted Period from employment in any capacity to the extent that any such salary exceeds forty percent (40%) of Employee's base pay as of the date of Employee's termination from employment, annualized or pro-rated to correspond with the remaining portion of the Non-Competition Restricted Period following the job offer. (By way of example, assuming an employee's remaining Non-Competition Restricted Period following a job offer is six (6) months and that employee's base pay at the time of termination was \$100,000, the Non-Competition Payment would not be reduced unless the salary earned by the Employee during the Non-Competition Restricted Period exceeded \$20,000. In the event the salary earned during the Non-Competition Restricted Period exceeds this threshold, the Non-Competition Payment will be reduced, or eliminated, pro rata).

**7. Notification of New Employment.** Employee acknowledges and agrees that for a period of one (1) year following the date of termination of Employee's employment with UA, Employee will inform the Vice President, Employment in writing prior to the acceptance of any job or any work as an independent contractor, of the identity of any new employer or other entity to which Employee is providing consulting or other services, along with Employee's starting date, title, job description, salary, and any other information that the Company may reasonably request to confirm Employee's compliance with the terms of this Agreement. Failure to provide all of this information to the Company may result in forfeiture of the Non-Competition Payment described above.

**8. Reasonableness of Obligations.** Employee acknowledges and represents that Employee fully understands this Agreement and has had the opportunity to have it explained by legal counsel of Employee's choosing. Employee acknowledges that the obligations imposed by this Agreement are fair and reasonably required for the protection of the Company and its legitimate business interests and will not preclude Employee from becoming gainfully employed following the termination, for any reason, of Employee's employment with UA. Employee acknowledges that these covenants have substantial and immeasurable value to the Company.

**9. NOTICE OF IMMUNITY UNDER THE DEFEND TRADE SECRETS ACT.** Employee is hereby notified in accordance with the Defend Trade Secrets Act of 2016 that Employee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that:

(a) Is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of the law; or

(b) Is made in a complaint or other document filed under seal in a lawsuit or other proceeding.

**Employee is further notified** that if Employee files a lawsuit for retaliation by an employer for reporting a suspected violation of law, Employee may disclose the employer's trade secrets to Employee's attorney and use the trade secret information in the court proceeding if Employee:

(a) files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order.

**10. Injunctive Relief.** Employee acknowledges and agrees that in the event of a violation or threatened violation of any provision of this Agreement, the Company will sustain irreparable harm and will have the full right to seek injunctive relief, in addition to any other available remedies.

**11. Survivability.** This Agreement shall remain binding in the event of Employee's termination of employment with UA for any reason.

**12. Extension.** Employee further acknowledges that if Employee is found to have violated any obligation in Paragraphs 4 or 5 above, that the time period for such obligation will be extended by one day for each day of Employee's failure either to comply with said obligation or to take prompt corrective action to make the Company whole for any breach, up to a maximum extension equal to the original Non-Competition and/or Non-Solicitation and Non-Interference Restricted Period, as applicable. In the event of Employee's breach of such a restrictive covenant, the Company shall be entitled to the entry of an order and/or an injunction enforcing the restrictive covenant for such an extended period. The Company also shall be entitled to a preliminary injunction, enforcing the restrictive covenant for up to such an extended period, if trial on the merits in any pending enforcement litigation has not yet occurred or concluded, if the restrictive covenant otherwise will lapse from expiration of the period originally prescribed for its operation, and if the Company satisfies the requirements warranting preliminary relief, except that the threat of irreparable injury will be presumed from the impending lapse of the restrictive covenant.

**13. Assignment.** Although Employee shall not have the right to assign this Agreement, it is nevertheless binding on Employee's heirs and executors, and on the Company's successors and assigns or any other entity to which UA may assign this Agreement.

**14. Governing Law and Consent to Jurisdiction.** The formation, construction and interpretation of this Agreement, including, but not limited to, its enforceability, shall at all times and in all respects be governed by the laws of the State of Maryland, without reference to its conflict-of-law rules. The Company has the right to enforce this Agreement or pursue claims relating to it in any forum having jurisdiction. Any legal action that Employee initiates against the Company that relates in any way to this Agreement, including, without limitation, for a declaratory judgment, will be brought exclusively in the state courts of Maryland. If the Company elects to sue in Maryland for any claim relating in any way to this Agreement, Employee agrees to waive any defense of lack of personal jurisdiction or improper venue. Employee also agrees that the existence of any asserted claim or cause of action Employee has or believes Employee has against the Company, or asserted breach of duty by the Company, whether or not based on this Agreement, shall not constitute a defense to the enforcement by the Company of the restrictive covenants above.

**15. Severable Provisions.** The provisions of this Agreement are severable, including each of the obligations in Paragraphs 4 and 5. In the event that the provisions of this Agreement should ever be deemed to exceed the limitations permitted by applicable laws, Employee and the Company agree that such provisions shall be reformed to the maximum limitations permitted by the applicable laws. Further, any invalidity or unenforceability shall affect only the provision or provisions deemed unenforceable and shall not make any other provision in this Agreement invalid or unenforceable.

**16. Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the specific covenants and obligations herein and supersedes any and all negotiations, discussions and prior understandings concerning the creation or operation of those specific covenants and obligations. However, if Employee is subject to a prior agreement with the Company containing confidentiality, non-solicitation, noncompetition and/or invention assignment provisions, then such prior agreement(s) shall remain in place, apply to Employee, and survive to give the Company the greatest protection allowed by law. No provision of this Agreement may be changed except by written agreement signed by both Employee and an officer of UA. The obligations under this Agreement also shall survive any changes made in the future to Employee's employment terms, including, but not limited to, changes in salary, benefits, bonus plans, job title, and job responsibilities.

**17. WAIVER OF JURY TRIAL.** THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM, COUNTERCLAIM, OR CROSSCLAIM, WHETHER IN CONTRACT OR TORT, AT LAW OR IN EQUITY, ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT.

**18. State-Specific Modifications.** Employee is directed to Appendix B for important state-specific modifications to the provisions in this Agreement.

**IN WITNESS WHEREOF**, the Parties have executed the Agreement as of the date first above written.

UNDER ARMOUR, INC.

By:

Name: Mehri Shadman

Title: EVP, Chief Legal Officer & Corporate Secretary

EMPLOYEE

(signature)

Print Name:

**APPENDIX A**  
**PRIOR INVENTIONS**

**APPENDIX B**  
**STATE-SPECIFIC SUPPLEMENT**

The following shall apply to modify provisions of the Agreement, where applicable, based upon the controlling law in the state where Employee primarily resided when last employed by UA if the governing law provision in Paragraph 14 is determined by a court of competent jurisdiction not to control or is expressly described as inapplicable to Employee below:

**Confidential Information Supplement.** If, and only if, the controlling state law applicable to Employee requires a time limit to be placed on obligations concerning the post-employment use of Confidential Information in order for the obligation to be enforceable, then this Agreement's restriction on Employee's use of Confidential Information that is not a trade secret will expire two (2) years following termination of Employee's employment with UA, whether voluntary or involuntary. This time limit will not apply to (a) Confidential Information that qualifies as a trade secret, or (b) confidential information of third parties. The Company's trade secrets will remain protected for as long as they qualify as trade secrets under applicable law. Items of confidential information of third parties will remain protected for as long as allowed under the laws and/or separate agreements that make them confidential. Nothing in the foregoing shall be construed to permit Employee to recreate records of Confidential Information from memory or retain copies of Confidential Information in any form after Employee's employment with UA ends. Employee understands that Employee should have no records of this kind in Employee's possession or control with which to refresh Employee's memory after Employee's employment with UA ends.

**Alabama**

If Alabama law applies, then: (a) the employee non-solicitation obligations in Paragraph 5(c) are limited in scope to the solicitation and hiring of employees holding Sensitive Positions. An employee is in a "Sensitive Position" if they are uniquely essential to the management, organization, or service of the business of the Company; and (b) the definitions "Customer" and "Supplier" shall be limited to those customers and suppliers with active (not former) relationships with the Company.

**Arizona**

If Arizona law applies, then the non-solicitation obligations in Paragraphs 5(a), 5(b), and 5(d) shall not apply to Prospective Customers or Prospective Suppliers.

**California**

If California law applies, then: (a) the noncompetition obligations in Paragraph 4 shall not apply; (b) the employee non-solicitation obligations in Paragraph 5(c) shall not apply; (c) the non-solicitation obligations in Paragraphs 5(a), 5(b), and 5(d) shall be limited to situations where Employee is aided in Employee's conduct by the use or disclosure of the Company's trade secrets (as defined by applicable law); (d) Paragraph 14 shall not apply; (e) Paragraph 17 regarding jury trial waiver shall not apply; and (f) the invention assignment obligations in this Agreement shall be limited so as to comply with Cal. Lab. Code, § 2870, which provides that: "(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on [their] own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either: (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the

employer; or (2) Result from any work performed by the employee for the employer.” This notice shall satisfy Cal. Lab. Code §§ 2870-2872.

### **Colorado**

If Colorado law applies and Employee is not an officer, executive or management employee, or an employee who constitutes professional staff to executive and management personnel within the meaning of § 8-2-113(2)(d) of Colorado Revised Statutes § 8-2-113, *et. seq.*, then: (a) the Parties stipulate that the noncompetition obligations in Paragraph 4 and the non-solicitation obligations in Paragraphs 5(a), 5(b), and 5(d) are reasonable and necessary for the protection of trade secrets within the meaning of § 8-2-1132(b); and (b) the non-solicitation obligations in Paragraphs 5(a), 5(b), and 5(d) shall be modified to apply only to those Customers, Suppliers, Prospective Customers, and Prospective Suppliers about whom Employee had access to trade secrets about during the final twelve (12) months of Employee’s employment.

### **Delaware**

If Delaware law applies, then the invention assignment obligations in the Agreement “shall not apply to an invention that the employee developed entirely on the employee’s own time without using the employer’s equipment, supplies, facility or trade secret information, except for those inventions that: (1) Relate to the employer’s business or actual or demonstrably anticipated research or development; or (2) Result from any work performed by the employee for the employer. To the extent a provision in an employment agreement purports to apply to the type of invention described, it is against the public policy of this State and is unenforceable. An employer may not require a provision of an employment agreement made unenforceable under this section as a condition of employment or continued employment.” 64 Del. Laws, c. 257, § 1; 70 Del. Laws, c. 186, § 1.

### **District of Columbia**

If Employee is an employee in the District of Columbia, as long as Employee perform works in the District of Columbia within the meaning of the “Ban on Non-Compete Agreements Amendment Act of 2020,” then no obligation in this Agreement (including, but not limited to, the noncompetition and non-solicitation obligations) will be applied to Employee in a way that would prohibit Employee from being simultaneously or subsequently employed by another person, performing work or providing services for pay for another person, or operating Employee’s own business. However, Employee understands that nothing in this exception to this Agreement’s obligations shall be construed to permit Employee to take any action that involves or may result in the use or disclosure of Confidential Information, proprietary, or sensitive information, client lists, or a trade secret, as that term is defined in section 2(4) of the Uniform Trade Secrets Act of 1988 (D.C. Law 7-216; D.C. Official Code §36-401(4)). Such actions shall remain prohibited and nothing in this Agreement shall be construed to limit or eliminate any rights or remedies the Company would have against Employee under trade secret law, unfair competition law, agency law or other laws applicable in the District of Columbia absent this Agreement.

**NOTICE: “No employer operating in the District of Columbia may request or require any employee working in the District of Columbia to agree to a non-compete policy or agreement, in accordance with the Ban on Non-Compete Agreements Amendment Act of 2020.”**

### **Georgia**

If Georgia law applies, then: (a) Paragraph 12 regarding extension of post-employment obligations shall not apply; (b) the definition of “Territory” shall be modified to mean “the territory

where Employee was working at the time Employee's employment with UA ended" and allows Employee to reasonably determine the maximum reasonable scope of the restraint as of Employee's last day of employment; (c) Paragraph 17 regarding jury trial waiver shall not apply; and (d) Employee agrees, represents, and warrants that Employee's duties with the Company, and/or skill as a professional, satisfy the requirements of Georgia law for covenants that restrict competition under Official Code of Georgia Annotated Section 13-8-53(a).

#### **Idaho**

If Idaho law applies, then Employee stipulates that Employee is a "key" employee within the meaning of Idaho Code § 44-2701, *et seq.*

#### **Illinois**

If Employee resides in Illinois at the time Employee enters into this Agreement, as additionally mutually agreed upon consideration for the non-solicitation obligations in Paragraph 5, Employee shall be entitled to the equity award accompanying this Agreement. Employee stipulates that this is adequate consideration to make the non-solicitation obligations in Paragraph 5 immediately binding upon Employee. Additionally, Employee acknowledges that Employee received a copy of this Agreement at least 14 calendar days before the commencement of Employee's employment or UA provided Employee with at least 14 calendar days to review this Agreement, and Employee was advised to consult with an attorney about this Agreement and has been given an opportunity to do so.

If Illinois law applies, then: (1) Paragraph 4 shall not apply to Employee if Employee is paid \$75,000.00/year (or as otherwise adjusted) or less; (2) Section 5 shall not apply to Employee if Employee is paid \$45,000.00 (or as otherwise adjusted) or less; and (3) the invention assignment obligations in this Agreement shall be modified so as to comply with Illinois Statutes Chapter 765, Property § 1060/2 (the "Illinois Inventions Act"), and will not require the assignment of Employee's rights in an invention for which no equipment, supplies, facilities, or trade secret information of the Company was used and which was developed entirely on Employee's own time, unless (a) the invention relates (i) to the business of the Company, or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by Employee for the Company. This notice satisfies 765 ILCS 1060/1-3 of the Illinois Inventions Act.

#### **Indiana**

If Indiana law applies, then the employee non-solicitation obligations in Paragraph 5(c) shall be modified to limit the obligation to the solicitation of employees to those who have access to or possess Confidential Information that could be used to harm the Company's legitimate protectable interests (such as, but not limited to, its competitive advantage and/or valuable business relationships and goodwill).

#### **Kansas**

If Kansas law applies, then the invention assignment obligations in this Agreement will not require the assignment of Employee's rights in an invention for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on Employee's own time, unless: (1) the invention relates directly to the business of the Company or to the Company's actual or demonstrably anticipated research or development; or (2) the invention results from any work performed by Employee for the Company. This notice satisfies §(2)(c) of Kansas Statutes Chapter 44, Labor and Industries § 44-130 (the "Kansas Inventions Act").

## **Louisiana**

If Louisiana law applies, then: (a) the "Territory" shall specifically include the following Louisiana parishes as long as the Company continues to carry on business therein: Acadia, Allen, Ascension, Assumption, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Cameron, Catahoula, Claiborne, Concordia, De Soto, East Baton Rouge, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson, Jefferson Davis, Lafayette, Lafourche, La Salle, General, Livingston, Madison, Morehouse, Natchitoches, Orleans, Ouachita, Plaquemines, Pointe Coupee, Rapides, Red River, Richland, Sabine, St. Bernard, St. Charles, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, St. Mary, St. Tammany, Tangipahoa, Tensas, Terrebonne, Union, Vermilion, Vernon, Washington, Webster, West Baton Rouge, West Carroll, West Feliciana, and Winn. The "Territory" shall also specifically include the following Texas counties: Cass, Dallas, Marion, Harris, Harrison, Panola, Shelby, Sabine, Newton, Orange, Travis, and Jefferson. The "Territory" shall also specifically include the following Arkansas counties: Miller, Lafayette, Columbia, Union, Ashley and Chicot. The "Territory" shall also specifically include the following Mississippi Counties: Issaquena, Warren, Clairborne, Jefferson, Adams, Wilkinson, Amite, Pike, Walthall, Marion, Pearl River and Hancock; (b) the non-solicitation obligations in Paragraphs 5(a), 5(b), and 5(d) are limited to the parishes and counties identified in this paragraph; and (c) Employee agrees that the foregoing provides Employee with adequate notice of the geographic scope of the obligations contained in this Agreement by name of specific parish or parishes (and equivalents), municipality or municipalities, and/or parts thereof.

## **Maine**

If Maine law applies, then: (a) the noncompetition obligations in Paragraph 4 will not apply to Employee's if Employee's earned wages are at or below 400% of the federal poverty level (see <https://aspe.hhs.gov/2019-poverty-guidelines>); and (b) if Employee is paid above this threshold, then Paragraph 4 will apply to Employee, but the obligations will not take effect until after one year of Employee's employment with UA or a period of six (6) months from the date this Agreement is signed, whichever is later. Additionally, Employee represents and agrees that UA disclosed that the noncompete obligations were required prior to Employee's offer of employment and provided a copy of this Agreement to Employee three (3) or more days in advance of any requirement to sign. Employee understands that UA is relying upon the truth of these representations by Employee in entering into the noncompete obligations with Employee, and Employee agrees not to assert any claim or defense contrary to these representations.

## **Massachusetts**

If Massachusetts law applies, then: (a) the noncompetition obligations in Paragraph 4 will not apply post-employment, and the Company will not be required to pay the Non-Competition Payment described in Paragraph 6, if Employee's employment is terminated without Cause or if Employee's employment is terminated as part of a reduction in force. As used herein, "Cause" is: (i) a material breach by Employee of any of Employee's material obligations under any applicable employment, confidentiality, non-solicitation or noncompetition agreement with the Company; (ii) Employee's conviction of or entering a plea of guilty or nolo contendere to, or admission to facts sufficient for a finding of guilt for, any crime constituting a felony or any misdemeanor involving fraud, dishonesty and/or moral turpitude under federal, state, local or foreign law; (iii) Employee's neglect, refusal, or failure to: (1) meet the performance expectations for Employee's position, (2) discharge Employee's duties (other than due to physical or mental illness) commensurate with Employee's title and function, or (3) Employee's failure to comply with a lawful direction of the Company; (iv) the commission of any act or omission involving

dishonesty, disloyalty or fraud with respect to the Company; (v) Employee's breach of a statutory or common law duty of loyalty or fiduciary duty to the Company; (vi) Employee's violation of the Company's policies or procedures; (vii) any other willful misconduct by Employee which is or intends to be materially injurious to the financial condition or business reputation of, or is otherwise materially injurious to, the Company; or (viii) any other reason recognized under the common law; (b) Paragraph 12 regarding extension of post-employment obligations shall not apply to the noncompetition obligations in Paragraph 4. However, if Employee breaches Paragraph 4 of this Agreement, and also breaches Employee's fiduciary duty to the Company and/or has unlawfully taken, physically or electronically, any of the Company's property, then the Non-Competition Restricted Period in Paragraph 4 may be equitably extended by an enforcing court for a period not to exceed two (2) years from the last day of Employee's employment with UA; and (c) the provisions of Paragraph 14 shall not apply.

Employee acknowledges that Employee has been advised to consult with an attorney about this Agreement and has been given an opportunity to do so and received a copy of this Agreement by the earlier of a formal offer of employment from UA or ten (10) business days before commencement of Employee's employment with UA. For a current employee, Employee acknowledges that Employee has received a copy of this Agreement at least ten (10) business days before the Agreement is to be effective. Employee understands that UA is relying upon the truth of these representations by Employee in entering into the noncompete obligations with Employee, and Employee agrees not to assert any claim or defense contrary to these representations.

**Personal Jurisdiction:** To the extent either party pursues temporary and/or preliminary injunctive relief in court, Employee consents to the exclusive personal jurisdiction of the court located in the county where Employee resides and the business litigation session of the superior court in Suffolk County, Massachusetts with respect to all matters arising out of or related to this Agreement.

#### **Minnesota**

If Minnesota law applies, then: (a) Employee acknowledges they were provided with notice of this Agreement when offered employment and was aware that execution of an agreement with noncompetition and non-solicitation obligations was a requirement of employment when Employee accepted UA's offer; and (b) the invention assignment obligations in this Agreement will not require the assignment of Employee's rights in an invention for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on Employee's own time, and (1) which does not relate (a) directly to the business of the Company or (b) to the Company's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by Employee for the Company. This notice satisfies Subd. 3 of Minn. Stat. 13A §181.78 (the "Minnesota Inventions Act").

#### **Missouri**

If Missouri law applies, then the employee non-solicitation obligations in Paragraph 5(c) will be modified to exclude any employee who performs only secretarial or clerical services.

#### **Montana**

If Montana law applies, then: (a) the noncompetition obligations in Paragraph 4 shall be limited to situations where Employee's conduct is aided by the use or disclosure of Confidential Information, including trade secrets; and (b) Paragraph 17 regarding jury trial waiver shall not apply.

### **Nebraska**

If Nebraska law applies, then: (a) the noncompetition obligations in Paragraph 4 shall not apply; and (b) the non-solicitation obligations in Paragraphs 5(a), 5(b), and 5(d) shall be revised to state that Employee will not solicit, sell to, divert, serve, accept or receive competing business from any Customer or Supplier that Employee personally, alone or in combination with others, handled, serviced, or solicited during the final twelve (12) months of Employee's employment.

### **Nevada**

If Nevada law applies, then: (a) the noncompetition obligations in Paragraph 4 will not become effective until Employee has been employed with UA for sixty (60) days or received \$5,000 in wages from UA, whichever is first; and (b) the non-solicitation obligations in Paragraphs 5(a), 5(b), and 5(d) do not preclude Employee from providing services to any Customer or Supplier, or Prospective Customer or Prospective Supplier, that (1) Employee did not solicit and (2) voluntarily chose to leave the Company and seek services from Employee, as long as Employee otherwise is complying with the limitations in this Agreement as to time and scope of activity to be restrained. Additionally, if UA terminates Employee's employment as a result of a reduction in force, reorganization or similar restructuring, the noncompete obligations in Paragraph 4 only will be enforceable during the period in which the Company is paying Employee's salary, benefits, or equivalent compensation, including without limitation, severance pay, if it elects to make such payments.

### **New Hampshire**

If New Hampshire law applies, then: (a) the non-solicitation obligations in Paragraphs 5(a), 5(b), and 5(d) shall not apply to Prospective Customers or Prospective Suppliers; and (b) Employee further acknowledges that if Employee is a new employee, Employee had advance notice (at least two (2) weeks) of the terms of this Agreement prior to having to accept UA's offer of employment. Employee understands that UA is relying upon the truth of this representation by Employee in entering into this Agreement with Employee, and Employee agrees not to assert any claim or defense contrary to this representation.

### **New Jersey**

If New Jersey law applies, then: (a) Paragraph 17 regarding jury trial waiver shall not apply; and (b) the invention assignment obligations in the Agreement shall be modified so as to comply with New Jersey Statutes Title 34. Labor and Workmen's Compensation 34 § 1B-265 (NJ Rev Stat § 34:1B-265 (2017)) and will not require the assignment of Employee's rights in an invention for which no equipment, supplies, facility or trade secret information of the Company was used and which was developed entirely on Employee's own time, and (1) which does not relate (a) directly to the business of the Company or (b) to the Company's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by Employee for the Company.

### **New York**

If New York law applies, then the definitions of "Customers" and "Suppliers" are modified so the terms exclude those customers and/or suppliers of the Company who became a customer or supplier of the Company as a result of Employee's independent contact and business development efforts with that customer or supplier prior to and independent from Employee's employment with UA.

### **North Carolina**

If North Carolina law applies, then: (a) Paragraph 17 regarding jury trial waiver shall not apply; and (b) the invention assignment obligations in the Agreement “shall not apply to an invention that the employee developed entirely on [their] own time without using the employer’s equipment, supplies, facility or trade secret information except for those inventions that (i) relate to the employer’s business or actual or demonstrably anticipated research or development, or (ii) result from any work performed by the employee for the employer. To the extent a provision in an employment agreement purports to apply to the type of invention described, it is against the public policy of this State and is unenforceable. The employee shall bear the burden of proof in establishing that his invention qualifies under this section.” (1981, c. 488, s. 1.)

### **North Dakota**

If North Dakota law applies, then: (a) the noncompetition obligations in Paragraph 4 shall not apply; and (b) the non-solicitation obligations in Paragraphs 5(a), 5(b), and 5(d) shall be limited to situations where Employee is aided in Employee’s conduct by the use or disclosure of the Company’s trade secrets (as defined by applicable law). Nothing in this paragraph shall be construed to limit or eliminate any rights or remedies the Company would have against Employee under trade secret law, unfair competition law, or other laws applicable in North Dakota absent this Agreement.

### **Oklahoma**

If Oklahoma law applies, then: (a) the noncompetition obligations in Paragraph 4 shall not apply; (b) the non-solicitation obligations in Paragraphs 5(a), 5(b), and 5(d) only shall preclude the direct solicitation of Customers and Suppliers on behalf of a Competitor Business; and (c) Paragraph 17 regarding jury trial waiver shall not apply.

### **Oregon**

If Oregon law applies, then Employee acknowledges that Employee was notified in a written offer of employment received at least two weeks before the commencement of employment that a noncompetition agreement was a condition of employment. The noncompetition obligations in Paragraph 4 will not apply to Employee if as of Employee’s last day of employment with UA: (a) the total amount of Employee’s gross salary and commissions, calculated on an annual basis does not exceed \$100,533.00 (or as otherwise adjusted), or (b) Employee does not otherwise qualify under O.R.S. § 653.295; unless, the Company chooses to compensate Employee as provided for under O.R.S. § 653.295 (6).

### **Rhode Island**

If Rhode Island law applies, then the noncompetition obligations in Paragraph 4 will not apply if Employee is classified as nonexempt under the Fair Labor Standards Act, is an undergraduate or graduate student in an internship or short-term employment relationship, is 18 years of age or younger, or earns less than 250% of the federal poverty level.

### **Tennessee**

If Tennessee law applies, then the non-solicitation obligations in Paragraphs 5(a), 5(b), and 5(d) shall not apply to Prospective Customers or Prospective Suppliers.

### **Texas**

If Texas law applies, then Paragraph 14 shall not apply.

## Utah

If Utah law applies, then the invention assignment obligations in this Agreement shall not require an assignment that would be contrary to Utah Code §34-39-3 which provides that:

- (1) An employment agreement between an employee and their employer is not enforceable against the employee to the extent that the agreement requires the employee to assign or license, or to offer to assign or license, to the employer any right or intellectual property in or to an invention that is: (a) created by the employee entirely on their own time; and (b) not an employment invention.
- (2) An agreement between an employee and their employer may require the employee to assign or license, or to offer to assign or license, to their employer any or all of their rights and intellectual property in or to an employment invention.
- (3) Subsection (1) does not apply to: (a) any right, intellectual property or invention that is required by law or by contract between the employer and the United States government or a state or local government to be assigned or licensed to the United States; or (b) an agreement between an employee and their employer which is not an employment agreement.
- (4) Notwithstanding Subsection (1), an agreement is enforceable under Subsection (1) if the employee's employment or continuation of employment is not conditioned on the employee's acceptance of such agreement and the employee receives a consideration under such agreement which is not compensation for employment.
- (5) Employment of the employee or the continuation of their employment is sufficient consideration to support the enforceability of an agreement under Subsection (2) whether or not the agreement recites such consideration.
- (6) An employer may require their employees to agree to an agreement within the scope of Subsection (2) as a condition of employment or the continuation of employment.
- (7) An employer may not require their employees to agree to anything unenforceable under Subsection (1) as a condition of employment or the continuation of employment.
- (8) Nothing in this chapter invalidates or renders unenforceable any employment agreement or provisions of an employment agreement unrelated to employment inventions.

## Virginia

If Virginia law applies, then: (a) the noncompetition obligations in Paragraph 4(b) shall not apply; (b) the noncompetition obligations in Paragraphs 4(a) and the non-solicitation obligations in Paragraphs 5(a), 5(b), and 5(d) will not apply to Employee if Employee earns less than approximately \$52,000 annually (or as otherwise provided by Code of Virginia §40.1-28.7:7 (the "Virginia Act")), Employee's earnings are less than the average weekly wage of the Commonwealth as determined pursuant to subsection B of §65.2-500, or Employee otherwise qualifies as a low-wage employee under the Virginia Act, unless Employee's earnings are derived, in whole or in predominant part, from sales commissions, incentives, or bonuses; (c) the non-solicitation obligations in Paragraphs 5(a), 5(b), and 5(d) shall not restrict Employee from providing a service to a Customer, Supplier, Prospective Customer, or Perspective Supplier if Employee does not initiate contact with or solicit the Customer, Supplier, Prospective Customer, or Perspective Supplier. However, Employee acknowledges that Employee understands they still are prohibited from using or disclosing Confidential Information; and (d)

the Parties agree that the obligations in Paragraphs 4 and 5 are reasonably limited in nature and do not prohibit employment with a competing business in a non-competitive position.

### **Washington**

If Washington law applies, then the following applies: (a) the noncompetition obligations in Paragraph 4 will not be enforced against Employee if Employee is laid off unless the Company agrees to pay Employee, at the time of layoff, the payments required by the Washington Act to keep Paragraph 4 in effect. For purposes of this section, "layoff" means termination of Employee's employment by UA for reasons of UA's insolvency or other purely economic factors, and specifically excludes termination of Employee's employment for any other reason, either with or without cause; (b) the noncompetition obligations in Paragraph 4 will not be or become enforceable against Employee unless or until Employee earns more than \$101,390 annually, or the otherwise adjusted equivalent in accordance with the requirements of Washington Noncompete Act (Chapter of Title 49 RCW enacting ESHB 1450 of the 66th Legislature, 2019 Regular Session) (the "Washington Act"). Employee further agrees that if, at the time Employee signs this Agreement, Employee does not earn at least \$101,390 in Box 1 W-2 annual compensation (or as otherwise adjusted), then the noncompetition obligations in Paragraph 4 will automatically become enforceable against Employee if and when Employee begins earning at least \$101,390 annually (or as otherwise adjusted); (c) Paragraph 14 shall not apply; (d) Paragraph 5(c) is modified to only prohibit solicitation of any employee to leave employment with the Company; (e) Paragraphs 5(a), 5(b), and 5(c) are modified to only prohibit solicitation of any Customer or Supplier to cease or reduce the extent to which it is doing business with the Company; in accordance with the definition of an enforceable "non-solicitation agreement" under the Washington Act; and (f) the invention assignment obligations in this Agreement shall be modified so as to comply with Wash. Rev. Code, Title 49 RCW: Labor Regs, Chptr 49.44.140 (the "Washington Inventions Act") and will not require the assignment of Employee's rights in an invention for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on Employee's own time, unless (a) the invention relates (i) directly to the business of the Company, or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by Employee for the Company. This notice satisfies § (3) of the Washington Inventions Act.

Employee further acknowledges that if Employee is a new employee, Employee has had advance notice of the terms of this Agreement prior to accepting UA's offer of employment. Employee understands that UA is relying upon the truth of these representations by Employee in entering into the noncompete obligations with Employee, and Employee agrees not to assert any claim or defense contrary to these representations.

### **Wisconsin**

If Wisconsin law applies, then: (a) the non-solicitation obligations in Paragraphs 5(a), 5(b), and 5(d) shall not apply to Prospective Customers or Prospective Suppliers; (b) Paragraph 12 regarding extension of post-employment obligations shall not apply; and (c) the employee non-solicitation obligations in Paragraph 5(c) will be limited to the solicitation of an employee who is in a Sensitive Position. An employee in a "Sensitive Position" refers to an employee who is in a management, supervisory, sales, research and development, or similar role where the employee is provided with Confidential Information or is involved in business dealings with the Company's customers.

**UNDER ARMOUR, INC.**  
**FISCAL YEAR 2024 NON-EMPLOYEE DIRECTOR COMPENSATION PLAN**

**WHEREAS**, Under Armour, Inc. (the “Company”) has utilized various arrangements pursuant to which Non-Employee Directors of the Company have been compensated for their services as a director of the Company;

**WHEREAS**, the Board of Directors of the Company (the “Board”) wishes to align director compensation more directly with the shareholder’s interest;

**WHEREAS**, the Board has now determined the terms and conditions of the Under Armour, Inc. Fiscal Year 2024 Non-Employee Director Compensation Plan (the “Plan”) and wishes to formally establish the Plan;

**NOW, THEREFORE**, the Company through this instrument establishes the Under Armour, Inc. Fiscal Year 2024 Non-Employee Director Compensation Plan, in accordance with the terms as set forth herein, which plan is an amendment and restatement of the Fiscal Year 2023 Non-Employee Director Compensation Plan.

**Section 1    Interpretation**

**1.1    Purposes**

The purposes of the Plan are:

- (a) to develop a mechanism to compensate Non-Employee Directors for their services to the Company; and
- (b) to provide a financial incentive that will help the Company to attract and retain highly qualified individuals to serve as Non-Employee Directors of the Company.

**1.2    Definitions**

Wherever used in the Plan, unless otherwise defined, the following terms shall have the meanings set forth below:

- (a) **“Affiliate”** means a subsidiary, division or affiliate of the Company, as determined in accordance with Section 414(b), (c) or (m) of the Code.
- (b) **“Award Agreement”** means an award agreement by and between a Non-Employee Director and the Company, entered into pursuant to the terms of the Omnibus Incentive Plan.

- (c) **“Audit Committee”** means the Audit Committee of the Board of Directors.
- (d) **“Board”** or **“Board of Directors”** means those individuals who serve from time to time as the Board of Directors of the Company.
- (e) **“Change in Control”** has the meaning given to it in the Omnibus Incentive Plan.
- (f) **“Code”** means the United States Internal Revenue Code of 1986, as amended.
- (g) **“Committee”** means the committee of the Board of Directors to which the Board of Directors has delegated power to act under or pursuant to the provisions of the Plan, initially the Human Capital and Compensation Committee.
- (h) **“Committee Chair”** means the individual who chairs a committee or a sub-committee of the Board to which the Board has delegated authority with respect to certain functions, including the Audit Committee, the Human Capital and Compensation Committee, the Corporate Governance and Sustainability Committee and the Finance and Capital Planning Committee and any other committee or sub-committee established by the Board.
- (i) **“Company”** means Under Armour, Inc., a Maryland corporation, and any successor to all or substantially all of its assets or business.
- (j) **“Corporate Governance and Sustainability Committee”** means the Corporate Governance and Sustainability Committee of the Board of Directors.
- (k) **“Disability”** has the meaning given to it in the Omnibus Incentive Plan.
- (l) **“Deferred Stock Unit”** means an interest credited under the DSU Plan. Each DSU represents the Company’s obligation to issue one share of common stock in accordance with the terms of the DSU Plan.
- (m) **“DSU Plan”** means the Under Armour, Inc. 2006 Non-Employee Directors Deferred Stock Unit Plan, as amended and restated from time to time.
- (n) **“Effective Date”** of the Plan is April 1, 2023.
- (o) **“Finance and Capital Planning Committee”** means the Finance and Capital Planning Committee of the Board of Directors.
- (p) **“Grant Date”** means the date of an annual shareholder meeting; provided however, that with respect to an Initial Restricted Stock Unit Grant made to a Non-Employee Director in accordance with Section 4.1 below, “Grant Date” means the first day of the month coincident with or next following the date the Non-Employee Director commences Board service.

- (q) **“Human Capital and Compensation Committee”** means the Human Capital and Compensation Committee of the Board of Directors.
- (r) **“Initial Restricted Stock Unit Grant”** means an equity grant of RSUs representing the Company’s Class C Common Stock, \$0.0003 1/3 par value per share, made under Section 4.1 of this Plan.
- (s) **“Lead Director”** means the Independent Director appointed by the Board to act as liaison between Directors, CEO and other members of Management.
- (t) **“Non-Employee Director”** means a member of the Board of Directors who is not an employee of the Company or any Affiliate of the Company.
- (u) **“Omnibus Incentive Plan”** means the Under Armour, Inc. 2005 Omnibus Long-Term Incentive Plan, as amended and restated from time to time.
- (v) **“Plan”** means this Under Armour, Inc. Fiscal Year 2024 Non-Employee Director Compensation Plan, as amended and restated from time to time.
- (w) **“Plan Year”** means the fiscal year of the Company, which for the avoidance of doubt is the twelve month period beginning on April 1 of each year and ending on March 31 of the following year.
- (x) **“RSU”** means a restricted stock unit granted under the Omnibus Incentive Plan.
- (y) **“Quarter”** means each Company fiscal calendar quarter, which begins on April 1, July 1, October 1, and January 1 of each year.
- (z) **“Separation from Service” or “Separate from Service”** means a Non-Employee Director ceasing to be a member of the Board for any reason, determined in accordance with Code Section 409A and the guidance issued thereunder, including Proposed Treas. Reg. Section 1.409A-1(h) (or any successor rule or regulation thereto).

**Section 2**     **Eligibility**

Each Non-Employee Director shall be eligible to participate in the Plan on the date he or she is first appointed or nominated to the Board, in accordance with its terms.

**Section 3**     **Compensation**

**3.1**     **Annual Retainer**

- (a) Subject to the other provisions of this Plan, each Non-Employee Director shall receive an annual retainer of Ninety Thousand Dollars (\$90,000) in installments of Twenty-Two Thousand Five Hundred Dollars (\$22,500) each Quarter, paid in arrears.

- (b) Non-Employee Directors who Separate from Service during a Quarter shall receive a *pro-rata* payment for that Quarter based on the number of days of service as a Board member in the Quarter.
- (c) A Non-Employee Director may elect to defer all of the value of the Annual Retainer as DSUs under the DSU Plan, in accordance with its terms.

**3.2 Annual Retainer for Lead Director**

- (a) The Lead Director shall receive an annual retainer of Fifty Thousand Dollars (\$50,000) in installments of Twelve-Thousand Five Hundred Dollars (\$12,500) each Quarter, paid in arrears.
- (b) Lead Director may elect to defer all of the value of the Annual Retainer for Lead Director as DSUs under the DSU Plan, in accordance with its terms.

**3.3 Expenses**

Each Non-Employee Director shall be reimbursed for his or her reasonable expenses incurred for attending meetings and otherwise acting on the Company’s behalf. To the extent that any reimbursement under the Plan provides for a “deferral of compensation” within the meaning of Section 409A of the Code, (a) the amount eligible for reimbursement in one calendar year may not affect the amount eligible for reimbursement in any other calendar year, (b) the right to reimbursement is not subject to liquidation or exchange for another benefit, and (c) any such reimbursement of an expense must be made on or before the last day of the calendar year following the calendar year in which the expense was incurred

**3.4 Committee Chairs**

- (a) In addition to fees otherwise paid hereunder, each Committee Chair shall be paid a Committee Chair annual retainer, as follows:

<u>Committee Chair</u>	<u>Annual Retainer</u>
<b>Audit Committee</b>	\$30,000
<b>Human Capital and Compensation Committee</b>	\$25,000
<b>Corporate Governance and Sustainability Committee</b>	\$22,500
<b>Finance and Capital Planning Committee</b>	\$22,500

- (b) Whether the Committee Chair of an additional committee or sub-committee established by the Board is entitled to a Committee Chair annual retainer, and the amount of such retainer, if any, shall be determined by the Board, solely in its discretion.

- (c) Committee Chair annual retainer fees shall be paid in equal Quarterly payments, in arrears, and subject to the rules set forth at Section 3.1 (b) above.
- (d) A Non-Employee Director may elect to defer all of the value of the Committee Chair annual retainer as DSUs under the DSU Plan, in accordance with its terms.

### **3.5 Committee Member Fees**

- (a) In addition to fees otherwise paid hereunder, each Non-Employee Director serving as a member of the Audit Committee, the Human Capital and Compensation Committee, the Corporate Governance and Sustainability Committee or the Finance and Capital Planning Committee (other than a Committee Chair) shall be paid a Committee member annual retainer per Committee of Ten Thousand Dollars (\$10,000).
- (b) Whether the Committee member of an additional committee or sub-committee established by the Board is entitled to a Committee member annual retainer, and the amount of such retainer, if any, shall be determined by the Board, solely in its discretion.
- (c) Committee member annual retainer fees shall be paid in equal Quarterly payments, in arrears, and subject to the rules set forth at Section 3.1 (b) above.
- (d) A Non-Employee Director may elect to defer all of the value of the Committee Member annual retainer as DSUs under the DSU Plan, in accordance with its terms.

## **Section 4 Equity Grants**

### **4.1 Initial Restricted Stock Unit Grant**

- (a) On the Grant Date applicable to Initial Restricted Stock Unit Grants, each new Non-Employee Director shall be granted an RSU with an equivalent value as of the Grant Date of One Hundred Thousand Dollars (\$100,000).
- (b) RSUs will be granted under and pursuant to the terms of the Omnibus Incentive Plan and subject to the terms of an Award Agreement by and between each Non-Employee Director and the Company. Each RSU shall vest 1/3<sup>rd</sup> annually while the Non-Employee Director continues to serve as a Board member, starting with the first anniversary of the Grant Date. Upon vesting, each RSU shall be settled in the form of a DSU, and shall be deferred in accordance with the terms of the DSU Plan. DSU interests shall be settled in the form of Company stock on the date that is six (6) months from the date the Board member incurs a Separation from Service and otherwise in accordance with Section 4 of the DSU Plan.

- (c) Non-Employee Directors who are Board Members on the Effective Date are not eligible for this RSU grant.

#### **4.2 Annual Restricted Stock Unit Grant**

Each Non-Employee Director who serves as a Board Member at the close of each annual shareholder meeting of the Company shall be awarded the number of RSUs representing the Company's Class C Common Stock, \$0.0003 1/3 par value per share, equivalent in value as of the Grant Date to One Hundred Fifty Thousand Dollars (\$150,000). Annual RSUs shall 100% vest on the date of the next shareholder meeting following the Grant Date, if the Non-Employee Director is a Board member at that time. Upon vesting, each RSU shall be immediately settled in the form of a DSU, and shall be deferred in accordance with the terms of the DSU Plan. DSU interests shall be settled in the form of Company stock on the date that is six (6) months from the date the Board member incurs a Separation from Service, and otherwise in accordance with Section 4 of the DSU Plan.

#### **4.3 Rules Applicable to Equity Grants**

- (a) The Board, in its discretion, shall determine whether and to what extent a grant under Section 4.2 to a Non-Employee Director who begins service as a Board member other than at an annual shareholders meeting shall be prorated for the first year of Board service.
- (b) Notwithstanding anything contained herein to the contrary, all grants under this Section 4 shall 100% vest upon the death or Disability of a Non-Employee Director, or upon a Change in Control. Upon vesting pursuant to this Section 4.3(b), RSUs shall be settled in the form of shares of Company common stock (with fractional shares settled in cash), issued directly to the Non-Employee Director or his beneficiary, and shall not be settled as DSUs in the DSU Plan.

### **Section 5 General**

#### **5.1 Successors and Assigns**

The Plan shall be binding on the Company and its successors and assigns and each Non-Employee Director and his or her heirs and legal representatives and on any receiver or trustee in bankruptcy or representative of creditors of the Company or Non-Employee Director, as the case may be.

#### **5.2 Amendment or Termination of the Plan**

The Board shall have the right and power at any time and from time to time to amend the Plan in whole or in part and at any time to terminate the Plan; provided, however, that an amendment to the Plan may be conditioned on the approval of the shareholders of the Company if and to the extent the Board determines that such approval is necessary or appropriate. No termination, amendment, or modification of the Plan shall adversely affect in any material way

any award previously granted under the Plan, without the written consent of the affected Non-Employee Director.

### **5.3 Limitations on Rights of Non-Employee Directors**

- (a) Any and all of the rights of the Non-Employee Directors respecting payments under the Plan shall not be transferable or assignable other than by will or the laws of descent and distribution, nor shall they be pledged, encumbered or charged, and any attempt to do so shall be void.
- (b) Any liability of the Company to any Non-Employee Director with respect to receipt of payment under this Plan shall be based solely upon contractual obligations created by the Plan. Neither the Committee nor the Board shall be liable for any actions taken in accordance with the terms of the Plan.

### **5.4 Compliance with Law**

The obligations of the Company with respect to payments hereunder are subject to compliance with all applicable laws and regulations. In connection with the Plan, each Non-Employee Director shall comply with all applicable laws and regulations and shall furnish the Company with any and all information and undertakings as may be required to ensure compliance therewith.

### **5.5 Governing Law**

The Plan shall be governed by and construed in accordance with the laws of Maryland. The Plan is also intended to comply with the requirements of section 409A of the Code, to the extent such section applies, and to the extent applicable, this Plan shall be interpreted in a manner consistent with that intent.

### **5.6 Administration**

The Committee shall have complete discretionary authority and power to (a) construe, interpret and administer the Plan and any agreement or instrument entered into under the Plan, (b) establish, amend and rescind any rules and regulations relating to the Plan, (c) make any other determinations that the Committee deems necessary or desirable for the administration of the Plan, including without limitation decisions regarding eligibility to participate and the amount and value of any payment, and (d) delegate to other persons any duties and responsibilities relating to the administration of the Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency or ambiguity in the Plan in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. No member of the Committee shall be liable for any action or determination made in good faith. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be binding and conclusive for all purposes and on all persons, including the Company, all Non-Employee Directors and any other person claiming an entitlement or benefit through any

Non-Employee Director. All expenses of administration of the Plan shall be borne by the Company.

**THIRD AMENDED AND RESTATED 2005 OMNIBUS  
LONG-TERM INCENTIVE PLAN**

**TIME BASED RESTRICTED STOCK UNIT GRANT AGREEMENT**

THIS AGREEMENT, made as of February 27, 2023, (the "Agreement") between UNDER ARMOUR, INC. (the "Company") and Stephanie C. Linnartz (the "Grantee").

WHEREAS, the Company has adopted the Third Amended and Restated 2005 Omnibus Long-Term Incentive Plan (the "Plan"), which has been delivered or made available to the Grantee, to promote the interests of the Company and its stockholders by providing the Company's key employees and others with an appropriate incentive to encourage them to continue in the employ of the Company and to improve the growth and profitability of the Company; and

WHEREAS, the Plan provides for the grant to participants in the Plan of restricted share units, which may be settled in shares of the Company's Class C stock (the "Class C Stock").

NOW, THEREFORE, in consideration of the promises and the mutual covenants set forth herein, the parties hereby agree as follows:

1. Definitions.

(a) "Cause" shall mean the occurrence of any of the following: (i) the Grantee's material misconduct or gross negligence in the performance of the Grantee's duties; (ii) the Grantee's commission of any felony, offense punishable by imprisonment in a state or federal penitentiary, any offense, civil or criminal, involving material dishonesty, fraud, moral turpitude or immoral conduct; (iii) the Grantee's material breach of the Company's written Code of Conduct, as in effect from time to time; (iv) the Grantee's commission of any act that results in severe harm to the Company, excluding any act taken by the Grantee in good faith that the Grantee reasonably believed was in the best interests or not contrary to the best interests of the Company; or (v) the Grantee's material breach of the Grantee's employee Confidentiality, Non-Compete and Non-Solicitation Agreement by and between the Grantee and Under Armour. However, none of the foregoing events or conditions will constitute Cause unless Under Armour provides the Grantee with written notice of the event or condition within thirty (30) days following the date as of which the Board of Directors of the Company became aware of the occurrence thereof and thirty (30) days to cure such event or condition (if curable) and, the event or condition is not cured within such 30-day period.

(b) "Good Reason" shall mean the occurrence of any of the following events: (i) a material diminishment in the scope of the Grantee's duties or responsibilities with the Company (other than temporarily while the Grantee is physically or mentally incapacitated or as required by applicable law), or the assignment to the Grantee of duties or responsibilities that are materially inconsistent with, or the failure to assign to the Grantee duties and responsibilities that are materially consistent with, the Grantee's duties, positions, authority, responsibilities and reporting requirements as set forth in the offer letter, dated as of December 14, 2022, by and between the Grantee and the Company, or the assignment to the Grantee of duties or responsibilities that materially impair the Grantee's ability to function as the President and Chief Executive Officer of the Company; (ii) the failure of the Company to continue the Grantee as President and Chief Executive Officer or the Grantee is no longer nominated for election to serve as a member of the Board of Directors of the Company; (iii) a material reduction in the Grantee's base salary, bonus, long-term incentive opportunity or aggregate benefits or perquisites, unless the reduction is part of an overall and nondiscriminatory reduction to such compensation of all similarly situated employees and the reduction is proportional to the reductions suffered by the other employees; (iv) a reduction in or a material delay in payment of the Grantee's total cash compensation or benefits or in the vesting of equity awards from those required to be provided in connection with the Grantee's hiring as reflected herein, including any such reduction or delay occasioned by a termination of or change to any

plan or program, other than as may be required by law; (v) should the Company be reorganized such that it becomes a direct or indirect subsidiary or controlled party of any other person or entity, the Grantee's not holding authorities, duties, responsibilities, status, offices, titles or reporting lines in such parent or other ultimately controlling party at least commensurate with those held by the Grantee at the Company immediately prior to such reorganization; or (vi) a requirement that the Grantee relocate more than fifty (50) miles from the Company's current headquarters offices located in Baltimore, Maryland, other than as a consequence of travel reasonable required to carry out the Grantee's obligations as President and Chief Executive Officer and a Board member. For the avoidance of doubt, the removal or resignation of Kevin Plank from the positions of Executive Chair and Brand Chief, and the subsequent requirement that the Grantee report instead directly to the Board of Directors of the Company, will not constitute Good Reason. However, none of the foregoing events or conditions will constitute Good Reason unless (A) the Grantee provides the Company with written objection to the event or condition within ninety (90) days following the date as of which the Grantee became aware of the occurrence thereof, (B) the Company does not reverse or otherwise cure the event or condition within thirty (30) days of receiving such written objection, and (C) the Grantee resigns the Grantee's employment within thirty (30) days following the expiration of such cure period.

(c) [RESERVED].

(d) An award will qualify as a "Substitute Award" if it is assumed, substituted or replaced by a Successor with awards that, solely in the discretion of the Human Capital and Compensation Committee of the Board, preserves the existing value of the outstanding Restricted Stock Units at the time of the Change in Control and provides vesting and payout terms that are at least as favorable to the Grantee as the vesting and payout terms applicable to the Restricted Stock Units.

(e) "Successor" shall mean the continuing or successor organization, as the case may be, following a Change in Control.

2. Grant of Restricted Stock Units. Pursuant to, and subject to, the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Grantee an Award of Restricted Stock Units covering 1,288,057 shares of the Class C Stock (collectively, the "Restricted Stock Units"). The Purchase Price for the Restricted Stock Units shall be paid by Grantee's services to the Company. The Grantee represents that the Restricted Stock Units are being acquired for investment and not with a view toward the distribution or sale thereof.

3. Grant Date. The Grant Date of the Restricted Stock Units hereby granted is February 27, 2023.

4. Incorporation of the Plan. All terms, conditions and restrictions of the Plan are incorporated herein and made part hereof as if stated herein. If there is any conflict between the terms and conditions of the Plan and this Agreement, the terms and conditions of this Agreement, as interpreted by the Board, or a Committee thereof, shall govern. Unless otherwise indicated herein, all capitalized terms used herein shall have the meanings given to such terms in the Plan.

5. Vesting and Settlement of Awards.

(a) Vesting. The Restricted Stock Units shall vest in accordance with Exhibit 1 (which is attached to this Agreement and incorporated herein and made a part hereof as if stated herein); provided that (i) the Grantee remains continuously employed by the Company through each such applicable vesting date, and (ii) the Grantee has duly executed this Agreement within one (1) year of receipt of the Agreement. Except as provided in Section 5(b), all unvested Restricted Stock Units will be automatically forfeited if the Grantee terminates employment for any reason prior the applicable vesting date.

(b) Special Vesting Upon Certain Circumstances. Notwithstanding Section 5(a) or anything to the contrary set forth in this Agreement or in any plan adopted by or agreement entered into by the Company, including the Plan or any severance plan, in the event of (i) the Grantee's termination by the

Company without Cause (other than due to the Grantee's death or Disability (as defined in the Plan)) or (ii) the Grantee's resignation for Good Reason, if (A) prior to the first vesting date of the Restricted Stock Units, the Grantee will receive \$11,000,000 in cash in a lump-sum payment, payable simultaneously with (and subject to the same conditions applicable to) any amounts owed to the Grantee pursuant to the Under Armour, Inc. Executive Severance Program, or (B) on or after the first vesting date of the Restricted Stock Units, any unvested Restricted Stock Units granted pursuant to this Agreement will immediately vest as of the Grantee's separation date, in each case subject to applicable tax withholdings and requirements by law. Upon the Grantee's death or Disability at any time, all unvested Restricted Stock Units granted pursuant to this Agreement shall immediately vest on the date of the Grantee's death or termination of employment as a result of Disability.

(c) Settlement of Awards. On the first business day after each vesting date described in Sections 5(a) or 5(b), as applicable, the Company shall deliver to the Grantee the number of shares of the Class C Stock to which Grantee's vested Restricted Stock Units relate.

6. Change in Control.

(a) In the event of a Change in Control in which the Restricted Stock Units will not be continued, assumed or substituted with Substitute Awards, all of the Restricted Stock Units not otherwise forfeited shall vest in full on the day immediately prior to the date of the consummation of the transaction(s) that constitutes the Change in Control.

(b) In the event of a Change in Control following which the Restricted Stock Units will be continued, assumed or substituted with Substitute Awards, any Substitute Awards shall vest on the dates set forth in Section 5(a) or 5(b), as applicable, of this Agreement.

(c) [Reserved.]

(d) On the first business day after each vesting date set forth in Sections 6(a), (b) or (c), as applicable, the Company shall deliver to the Grantee the shares of the Class C Stock to which Grantee's vested Restricted Stock Units or Substitute Awards, as applicable, relate.

7. Forfeiture. Subject to the provisions of the Plan and Sections 5 and 6 of this Agreement, with respect to the Restricted Stock Units which have not become vested on the date the Grantee's employment terminates, the Award of Restricted Stock Units shall expire and such unvested Restricted Stock Units shall immediately be forfeited on such date.

8. Employee Confidentiality, Non-Competition and Non-Solicitation Agreement. As a condition to the grant of the Restricted Stock Units, the Grantee shall have executed and become a party to the Confidentiality, Non-Compete and Non-Solicitation Agreement.

9. No Shareholder Rights. The Grantee does not have any rights of a shareholder with respect to the Restricted Stock Units. No dividend equivalents will be earned or paid with regard to the Restricted Stock Units.

10. Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party hereto upon any breach or default of any party under this Agreement, shall impair any such right, power or remedy of such party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Agreement, or any waiver on the part of any party or any provisions or conditions of this Agreement, shall be in writing and shall be effective only to the extent specifically set forth in such writing.

11. Integration. This Agreement and the Plan (including the Confidentiality, Non-Compete and Non-Solicitation Agreement) contain the entire understanding of the parties with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein and in the Plan. This Agreement and the Plan supersede all prior agreements and understandings between the parties with respect to its subject matter.

12. Withholding Taxes. The Grantee agrees, as a condition of this grant, that the Grantee will make acceptable arrangements to pay any withholding or other taxes that may be due as a result of vesting of the Restricted Stock Units or delivery of the Class C Stock or other shares acquired in connection with this Award. In the event that the Company determines that any federal, state, local, municipal or foreign tax or withholding payment is required relating to the vesting of the Restricted Stock Units or delivery of the Class C Stock or other shares acquired in connection with this Award, the Company shall have the right to require such payments from the Grantee in the form and manner as provided in the Plan. The Grantee authorizes the Company at its discretion to satisfy its withholding obligations, if any, by one or a combination of the following:

- (a) to the extent permitted by applicable laws, withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company; or
- (b) withholding from proceeds of the sale of shares of the Class C Stock acquired upon settlement of the Restricted Stock Units, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization without further consent required); or
- (c) withholding in shares of the Class C Stock to be issued upon settlement of the Restricted Stock Units; or
- (d) by any other method deemed by the Company to comply with applicable laws.

13. Data Privacy. The Company is located at 1020 Hull Street Baltimore, MD 21230-2080, U.S.A. and grants Restricted Stock Units to employees of the Company and its Subsidiaries and Affiliates, at the Company's sole discretion. The Grantee acknowledges that he or she has reviewed the following information about the Company's data processing practices and declares his or her consent.

- (a) Collection and Usage. The Company collects, processes and uses personal employee data, including name, home address, email address and telephone number, date of birth, social insurance number, passport number or other identification number, salary, citizenship, job title, any shares of Class C Stock or directorships held in the Company, and details of all equity awards granted, canceled, vested or outstanding in the Grantee's favor, which the Company receives from the Grantee or the Employer ("Data"). If the Company grants the Grantee equity rights under the Plan, then the Company will collect the Grantee's Data for purposes of allocating shares of Class C Stock and implementing, administering and managing the Plan. The Company's legal basis for the collection, processing, and use of the Grantee's Data is the Grantee's consent.
- (b) Stock Plan Service Provider. The Company transfers the Grantee's Data to The Charles Schwab Corporation, an independent service provider based in the United States, which assists the Company with the implementation, administration and management of the Plan. In the future, the Company may select a different service provider and share my Data with another company that serves in a similar manner. The Company's service provider will open an account for the Grantee to receive and trade shares of Class C Stock. The Grantee will be asked to agree on separate terms and data processing practices with the service provider, which is a condition to the Grantee's ability to participate in the Plan.

- (c) [Reserved].
- (d) Voluntariness and Consequences of Consent, Denial or Withdrawal. The Grantee's participation in the Plan and the Grantee's grant of consent hereunder is purely voluntary. The Grantee may deny or withdraw his or her consent at any time. If the Grantee does not consent, or if the Grantee later withdraws his or her consent, the Grantee may be unable to participate in the Plan. This would not affect the Grantee's existing employment or salary; instead, the Grantee merely may forfeit the opportunities associated with participation in the Plan.
- (e) Data Retention. The Grantee understands that the Grantee's Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan.
- (f) Data Subject Rights. The Grantee understands that the Grantee may have the right under applicable law to (i) access or copy the Grantee's Data that the Company possesses, (ii) rectify incorrect Data concerning the Grantee, (iii) delete the Grantee's Data, (iv) restrict processing of the Grantee's Data, or (v) lodge complaints with the competent supervisory authorities in the Grantee's country of residence. To receive clarification regarding these rights or to exercise these rights, the Grantee understands that the Grantee can contact Human Resources at Totalrewards@underarmour.com. The Company will process the Grantee's requests related to these rights as the law allows, which means in some cases there may be legal or other official reasons that Company may not be able to address the specific request related to the Grantee's rights to protect the Grantee's privacy. The Company will take steps to verify the Grantee identity before fulfilling any such request.

If the Grantee agrees with the data processing practices as described in this notice, he or she should declare his or her consent by clicking "Accept" on the Charles Schwab award acceptance page.

14. Section 409A. It is intended that the Restricted Stock Units awarded hereunder be exempt from the application of Section 409A of the Internal Revenue Code and applicable guidance thereunder ("Section 409A") and the Plan and this Agreement shall be construed in a manner that effects such intent. However, the tax treatment of the benefits provided under the Plan or this Agreement is not warranted or guaranteed. Notwithstanding anything to the contrary, to the extent any amount or benefit would constitute non-exempt deferred compensation for purposes of Section 409A, the Plan and this Agreement shall be interpreted and administered in compliance with Section 409A, including the requirement that if the Company determines that the Grantee is a "specified employee" within the meaning of Section 409A, then to the extent any payment under this Agreement on account of the Grantee's separation from service would be considered nonqualified deferred compensation under Section 409A, such payment shall be delayed until the earlier of (a) the date that is six months and one day after the date of such separation from employment or (b) the date of the Grantee's death.

15. Electronic Delivery. The Company may choose to deliver certain statutory materials relating to the Plan in electronic form. By accepting this grant the Grantee agrees that the Company may deliver the Plan prospectus and the Company's annual report to the Grantee in an electronic format. If at any time the Grantee would prefer to receive paper copies of these documents, as the Grantee is entitled to receive, the Company would be pleased to provide copies. The Grantee should contact totalrewards@underarmour.com to request paper copies of these documents.

16. Counterparts; Electronic Signature. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement may be signed by the Company through application of an authorized officer's signature, and may be signed by the Grantee through an electronic signature.

17. Governing Law; Venue. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Maryland, without regard to the provisions governing

conflict of laws. For purposes of litigating any dispute that arises under this Award of Restricted Stock Units or this Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Maryland, and agree that such litigation will be conducted in the jurisdiction and venue of the United States District Court for the District of Maryland or, in the event such jurisdiction is not available, any of the appropriate courts of the State of Maryland, and no other courts.

18. Severability. The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. Grantee Acknowledgment. The Grantee hereby acknowledges receipt of a copy of the Plan. The Grantee hereby acknowledges that all decisions, determinations and interpretations of the Board, or a Committee thereof, in respect of the Plan, this Agreement and this Award of Restricted Stock Units shall be final and conclusive.

The Company has caused this Agreement to be duly executed by its duly authorized officer and said Grantee has hereunto signed this Agreement on the Grantee's own behalf, thereby representing that the Grantee has carefully read and understands this Agreement and the Plan as of the day and year first written above.

UNDER ARMOUR, INC.

By: /s/ Mehri Shadman

GRANTEE

/s/ Stephanie Linnartz

EXHIBIT 1  
VESTING SCHEDULE

429,309 on February 27, 2024

429,309 on February 27, 2025

429,439 on February 27, 2026

**Subsidiaries****Incorporation**

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Under Armour Europe B.V.	The Netherlands
Under Armour Retail, Inc.	Maryland
UA Global Sourcing Limited	Hong Kong
Under Armour International Holdings Limited	Hong Kong
Under Armour Global Limited	Republic of Cyprus

Subsidiaries not included in the list are omitted because, considered in the aggregate as a single subsidiary, they do not constitute a significant subsidiary.

**Exhibit 23.01**

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-129932, 333-130567, 333-172423, 333-210486, 333-210844, and 333-234809) of Under Armour, Inc. of our report dated May 24, 2023, relating to the financial statements and financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP  
Baltimore, Maryland  
May 24, 2023

**Certification of Chief Executive Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Stephanie C. Linnartz, certify that:

1. I have reviewed this annual report on Form 10-K of Under Armour, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 24, 2023

/s/ STEPHANIE C. LINNARTZ

Stephanie C. Linnartz

*President and Chief Executive Officer Principal Executive Officer*

**Certification of Chief Financial Officer  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, David E. Bergman, certify that:

1. I have reviewed this annual report on Form 10-K of Under Armour, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 24, 2023

/s/ DAVID E. BERGMAN

David E. Bergman

Chief Financial Officer Principal Financial Officer

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Under Armour, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the annual report on Form 10-K of the Company for the period ended March 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 24, 2023

/s/ STEPHANIE C. LINNARTZ

Stephanie C. Linnartz

*President and Chief Executive Officer Principal Executive Officer*

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Under Armour, Inc. and will be retained by Under Armour, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. Section 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Under Armour, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the annual report on Form 10-K of the Company for the period ended March 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 24, 2023

/s/ DAVID E. BERGMAN

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David E. Bergman

*Chief Financial Officer Principal Financial Officer*

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to Under Armour, Inc. and will be retained by Under Armour, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.