



March 2021

To our shareholders,

As we all know the year 2020 was a tough year for most enterprises in the world and the fashion industry was very affected by it, Nike wasn't the exception. A pandemic hit the world and adaptation and innovation were key to overcoming this situation. As we can see our revenues decrease from 7.47% in 2019 to -4.38% in 2020 which let us make several changes to the company. One of the major changes was that we had to close many stores around the world because there was little flow of people in the stores due to social distancing and people migrate to shop online instead. This made our online sales increase by 82% and represented 21% of our revenue. Our focus from 2020 should be on e-commerce, taking on average 104 million monthly visits on our website and the user visit has an average duration of 3 minutes and 46 seconds longer than our biggest competition. We should also take into account that most of our visits on the website come due to the online search indicating that we are well-positioned in our market and have a presence in our industry being recognized worldwide but as of our rate conversion we need to improve by securing sales when a consumer visit our website. We must bear in mind that most of our revenues come from the category of men so we could take it into account to be able to increase our sales in the category of women and create more marketing campaigns directed to the category of women, focusing on products sportswear that is the category where our greatest revenue comes. Another of the indicators that favor us is the turnover inventory that indicates the turnover of the inventory that we have had being higher than the competition, however, in 2020 our percentage decreased by the factors already mentioned. Indicate us that we should have better inventory management according to the situation the company is going through.

Nike will have a focus in the years ahead on improving the consumer experience through online shopping via the app or website, investing more in the e-commerce sales channel because due to the pandemic consumers got used to shopping online without going to the store. Compared to competition our experience of e-commerce is superior but we must continue to innovate and create new experiences that keep us as the favorites of the industry. We should invest in digital marketing more as we did in 2019, the world is now becoming all digital and most of our sales are going to come due to advertising and promotions we had online. The world is changing and we need to keep innovating and be aware that probably in the next few years we will focus just on e-commerce because of the changes the world is facing due to the pandemic. 2020 was not a good year to the company but 2021 is doing good as we can see in our revenues. Nike is getting better and stronger.

Respectfully,


Maria Bustillo

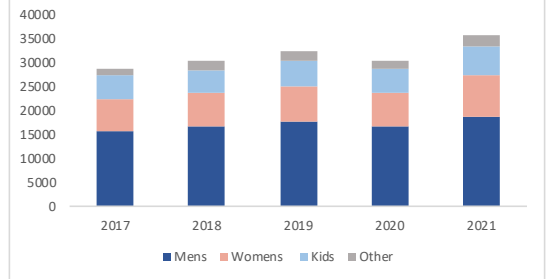
Average website visits per month	Wholesale Revenue by Customer Segment (In millions USD)
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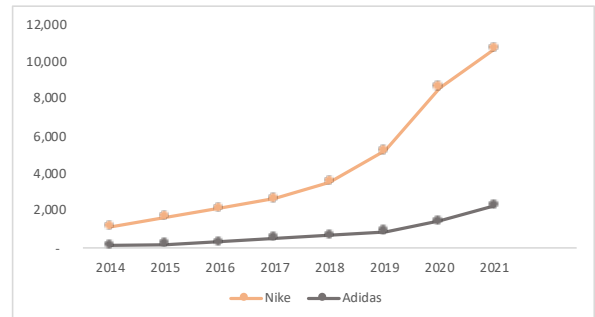
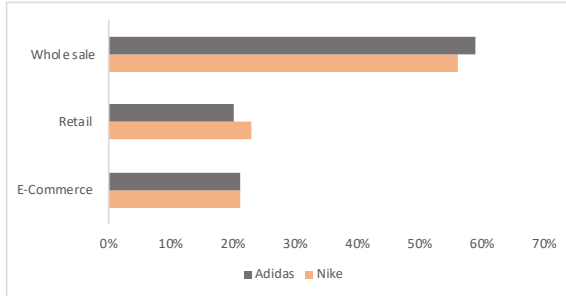
104.3 mill



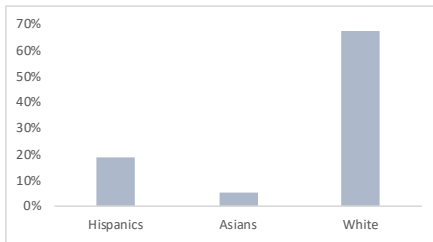
20.25 mill



Net Sales by Channel	E-commerce net sales from 2014 to 2021 (In millions USD)
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Nike Demographics	2020 Online Sales percentage increase.
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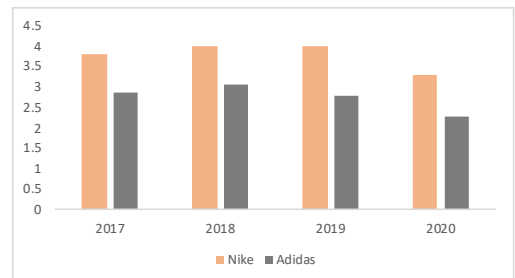
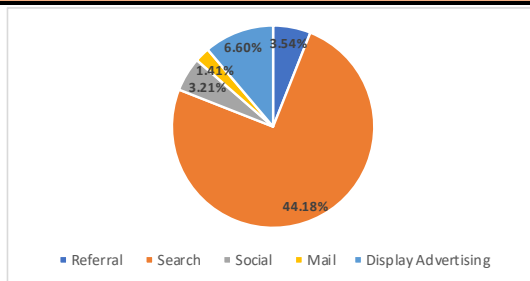
Target households and teens with:
Athletic and Fashionable



82%

Age ➡ 15 - 45 years old.

Visitors on the website by Channel	Nike Inventory Turnover
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Average Duration of customers in the website:

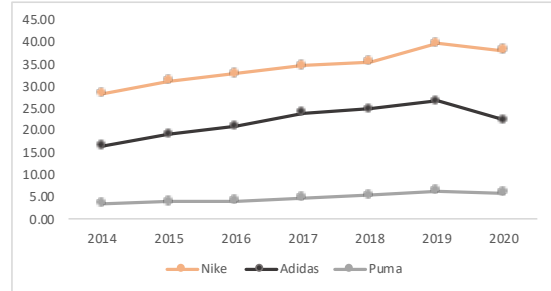


00:03:46 min

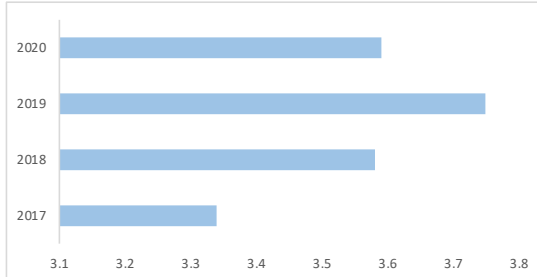


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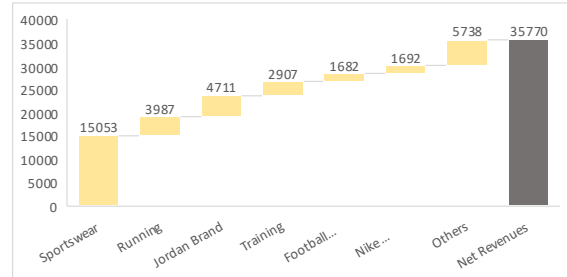
Revenues in Billion USD



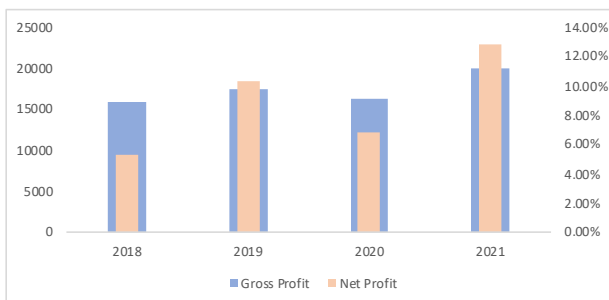
Advertising and Promotion Costs(in billions USD)



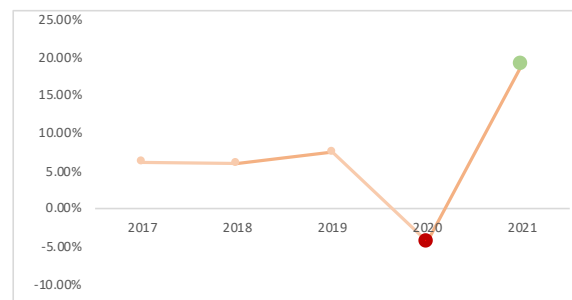
Revenue by products category (in million USD)



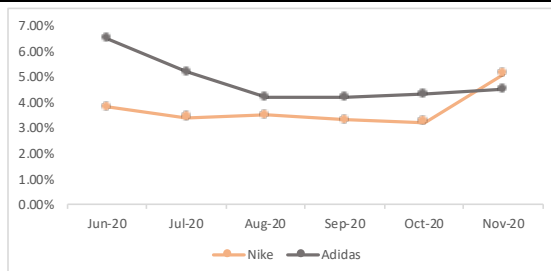
Gross Profit(In million USD) vs Net profit (In %)



Annual Revenue Growth



Conversion Rate year 2020



Number of stores worldwide

