Welcome to Zalando

Zalando keeps the pace high. Only 14 years after founding the company in 2008, we today have more than 50m active customers in 25 European countries and have become Europe’s leading online fashion destination. Building on this, more than 16.000 employees work hard every day to turn Zalando into the starting point for fashion for every fashion-loving European.

This factbook is designed to give you easy access to the most relevant capital markets information about Zalando.

Enjoy the read!

David, Robert, Sandra, David, Astrid, and the IR team

Zalando Management Board
David Schneider, Robert Gentz, Sandra Dembeck, David Schröder, Astrid Arndt
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Zalando in a nutshell

Unrivalled scale

- **25** European markets
- **>50M** active customers
- **>5x** average order frequency
- **~290 EUR** yearly spending per customer

Strong Localization

- **>6,000** (local) Brands
- **>20+** payment methods
- **>130** delivery & return solutions
- **20** languages

Industry-leading platform business model

Customer choice

- **39%** partner business share\(^1\)

Best-In-Class Logistics & Tech Capabilities

- **12** fulfillment centers in 7 markets
- **~3000** employees in technology department

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1) Refers to Partner Program and Connected Retail, H1/2023, Partner Business GMV expressed as %-share of Fashion Store GMV
Zalando at a glance

Strong growth track record since foundation in 2008

2009 GMV €6m


Market Entry
- Focus on shoes
- Defined value proposition
- Leadership in Germany

Category Expansion
- Apparel
- Sports
- Accessories
- Private label

Geographic Expansion
- 15 European markets
- 425m population
- Highly localized approach

Operational Excellence
- Building proprietary technology and logistics infrastructure
- Creating scalable and efficient processes
- Successful IPO October 2014

Platform Transition
- Opening our platform for partners (e.g. Partner Program, Connected Retail)
- Leveraging capabilities beyond wholesale (e.g. ZFS, ZMS)
- Focusing on customer loyalty (e.g. Zalando Plus)

Starting Point Vision & Sustainability
- Pursuing our vision to be the Starting Point for Fashion
- and our vision to become a sustainable fashion platform with the “Do More” strategy as core part of our business strategy

2022 GMV €14.8bn

2022 GMV

2009 GMV €6m


Starting Point Vision & Sustainability
- Pursuing our vision to be the Starting Point for Fashion
- and our vision to become a sustainable fashion platform with the “Do More” strategy as core part of our business strategy

2022 GMV €14.8bn
We are a truly European fashion platform and are present in 25 European markets...

With the successful launch of eight new markets, we are now **active in 25 European markets**

We serve **>50m active customers¹**, more than 10% of the European population

And we serve our customers in a more meaningful way as active customers spending over 500 euros make up **more than 60% of our GMV²**

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¹ Each customer that has placed at least one order within the last year (based on the reporting date) is considered active
² Gross Merchandise Volume (GMV) incl. VAT
Zalando at a glance

...with our success built on best-in-class e-commerce capabilities
Our competitive advantage is our clear focus to be a pureplay online fashion leader

<table>
<thead>
<tr>
<th>Examples</th>
<th>GENERAL E-COMMERCE</th>
<th>FASHION E-COMMERCE</th>
<th>VERTICAL FASHION PLAYERS</th>
<th>BRAND OWN E-COMMERCE</th>
<th>SOCIAL MEDIA</th>
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<tbody>
<tr>
<td>Online Scale</td>
<td>🟠</td>
<td>🟡</td>
<td>🟢</td>
<td>🟠</td>
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</tr>
<tr>
<td>Fashion Focus / Expertise</td>
<td>🟠</td>
<td>🟢</td>
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<tr>
<td>Buy-In from Brands</td>
<td>🟠</td>
<td>🟢</td>
<td>🟢</td>
<td>n/m</td>
<td>n/m</td>
</tr>
<tr>
<td>E-Commerce Infrastructure / Technology</td>
<td>🟠</td>
<td>🟡</td>
<td>🟢</td>
<td>🟡</td>
<td>n/m</td>
</tr>
<tr>
<td>Localization</td>
<td>🟠</td>
<td>🟢</td>
<td>🟢</td>
<td>🟢</td>
<td>n/m</td>
</tr>
</tbody>
</table>
Zalando is still managed by its founders, supported by high-profile experts that secure a well-rounded view of the business.
All supervisory board members have the relevant track record from various businesses to support Zalando

Jennifer Hyman
CEO and Co-Founder at Rent the Runway, Inc.

Anders Hoch Povlsen
CEO of Bestseller A/S

Anika Mangelmann
Zalando SE

Niklas Östberg
CEO and Co-Founder of Delivery Hero SE

Susanne Schröter-Crossan
Independent Advisor

Matti Ahtiainen
Zalando Finland Oy

Kelly Bennett
Executive Advisor to Microsoft/Xbox, Nubank and Spotify leadership teams

Mariella Röhm-Kottmann
SVP of ZF Friedrichshafen AG

Jade Buddenberg
Zalando SE

1) Shareholder representative
2) Employee representative
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Best-in-class proposition for customers, partners and planet

02 Industry-leading platform business model
Highly flexible model tailored to our partners to enable their Direct-to-consumer business on Zalando

03 Unrivalled scale
Scale leadership and partner business translating to highly attractive financial profile

04 Long term focus
Significant runway to increase market share and profitability
Our vision is to be the Starting Point for Fashion
To turn Zalando into the starting point for every fashion-loving European we focus on three strategic dimensions

Customers
We create deep customer relationships at scale

Partners
We transition towards a true platform business

People & Planet
We build a sustainable platform
Customer value proposition centered around relevant choice, a tailored digital shopping experience and seamless convenience

We provide customers a distinct and compelling fashion proposition making Zalando THE app for fashion

- Relevant choice
- Tailored digital shopping experience
- Seamless choice
...resulting in a highly loyal and monetizable customer base

### Growing customer base

<table>
<thead>
<tr>
<th>Year</th>
<th>Active customers</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>19.9m</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>51.2m</td>
<td>&gt;2.5x</td>
</tr>
</tbody>
</table>

### Increasing share of wallet

<table>
<thead>
<tr>
<th>Year</th>
<th>GMV per active customers</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>244 EUR</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>289 EUR</td>
<td>+18%</td>
</tr>
</tbody>
</table>
Next to our core fashion proposition, we are elevating multiple newer propositions to make it easier for customers to engage with Zalando for all their shopping needs.

- **Improve core fashion experience**
- **Elevate distinct propositions**
  - Lounge by Zalando
  - Pre-owned
  - Designer
  - Fashion
  - Beauty
- **Connect all our propositions**
  - Lounge by Zalando
  - Pre-owned
  - Designer
  - Fashion
  - Beauty

- **90% of our active customers buy fashion with us**
- **~20% of customers are active in 2+ propositions**
- **Over two million Zalando Plus members**
We enable our customers to engage with their most desired brands in a best-in-class multi-brand environment

New Brand launches spark customer engagement, elevate brand equity

Increased assortment showcases full brand offer

>2 million SKUs

>6,000 Brands

Dedicated Brand Homes enable elevated storytelling and brand followship

Customers

More choice
More availability
More inspiration

Shared values enable impactful brand collaborations

#Sustainability  #Inclusivity  #Genderless

Discover the brand + Follow

increased followship resulting in >14m Zalando customers converted in “brand fans”
Highsnobiety collaboration is gaining momentum and is bolstering our approach to turn customers to us when looking for fashion inspiration.

- **>7.1m** Number of unique viewers of curated product drops since start of Highsnobiety collaboration
- **>3x** Higher click-through rate when compared to normal product drops

Further build a fashion discovery experience to engage customers with a regular cadence of inspirational stories and exciting product releases.
In 2022, built new and further deepened existing relationships with key industry partners…

**Nike Membership** on Zalando

Deepening long-standing partner relationship between Zalando and Nike

Expanding offer to include a differentiated selection of Nike member-only products and assortment, starting in certain markets\(^1\)

**Sephora** on Zalando

Expanding existing partner relationships between Zalando and Sephora

Adding over 50 high-profile prestige beauty brands on the platform and expanding partnership to Italy

**Apple & Beats Products** on Zalando

Building new partner relationships between Zalando and Apple

Introduction of Apple Watch, AirPods, HomePods, Apple accessories and Beats headphones in certain markets\(^2\)

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\(^1\) Germany, Austria, the Netherlands, France, Belgium, Denmark, Sweden, Finland, Italy and Poland

\(^2\) Austria, Germany, France, Italy, and Switzerland
...and further empowered brands to grow by leveraging our state-of-the-art enabling platform capabilities

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### Enabling Direct-to-Consumer on Zalando

- **Customer choice**
  - Wholesale assortment
  - Partner Program assortment
  - Connected Retail assortment

- **Direct-to-Consumer**

### Driving internationalisation across Europe

### Connecting to consumers

- **Zalando Marketing Services**
  - We connect brands to consumers
  - Powerful performance solutions

- **Revenue generated through Zalando Marketing Services (in % of GMV)**
  - 2%

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1. Refers to Partner Program and Connected Retail, Q4/2022, Partner Business GMV expressed as %-share of Fashion Store GMV
2. Refers to Zalando Fulfillment Solutions, Q4/2022, ZFS items expressed as %-share of Partner Program items
3. Refers to Zalando Marketing Services, Q4/2022, ZMS revenues expressed as %-share of Fashion Store GMV
To be the Starting Point for Fashion, we need to become part of the solution on the sustainability challenges we face

Our planet has a problem ...

1°C
increase in global temperature since 1880¹

Up to 4.8°C
expected increase in global temperature by 2100 if we don’t take action²

... fashion is part of the problem ...

only 1%
of fashion is recycled into new clothing³

2x
increase in global clothing production since 2002³

... and customers want to see change

9 of 10
Gen Z customers believe companies have responsibility to address environmental & social issues⁵

54%
of customers bought at least one product carrying the sustainability flag

¹ The Intergovernmental Panel on Climate Change (IPCC), SR15 Headline Statements, 2019
² Climate Action Tracker, Global Temperatures, December 2020
⁴ The influence of woke consumers on fashion, McKinsey, February 2019
⁵ Climate Action Tracker, Global Temperatures, December 2020
To maximise impact, sustainability is integrated into all business units

Management Board

**Provides guidance** on sustainability topics + receives **regular updates** about the progress regarding our sustainability targets.

**MB remuneration** linked to D&I and **Sustainability targets**

Supported by **D&I & Sustainability Committee** of the **Supervisory Board**

Sustainability Forum

**Chair** (David Schneider, Founder & Co-CEO)

Responsible for overall strategy and for sustainability strategy

**Sponsors**

- Carbon
- Packaging
- Human Rights
- GMV
- Circularity
- Skilling

**Goal sponsors** + **Sustainability Team** + **additional experts (incl. Finance)**

As the **highest decision-making body**, the Sustainability Forum serves as the **overarching steering committee** and keeps the necessary **strategic oversight**.
## Our ambition is to be a sustainable fashion platform with a net-positive impact for people and planet...

### Planet
- Reduce carbon footprint
  - 58% of our partners have set Science Based Targets
  - Reduced Scope 1 and Scope 2 GHG emissions by 78%

### Product
- Minimize waste & eliminate single-used plastics
  - ~38% reduction in single use plastic packaging per item shipped since 2021
  - 99% packaging material is recyclable
- Apply the principles of circularity
  - Launched circular design criteria
  - ~775,000 products designed and produced with circular design criteria

### People
- Increase ethical standards & only partners who align
  - Validated Human Rights Due Diligence Program against requirements of German Supply Chain Due Diligence Act
- Support 10,000 people in the workforce
  - Provided skilling opportunities to 5,016 people since 2020
  - Conducted upskilling program with 800 workers in supply chain in Bangladesh

### Aspiration
- Reduce carbon footprint
- Minimize waste & eliminate single-used plastics
- Apply the principles of circularity
- Increase sustainability related assortment
- Increase ethical standards & only partners who align
- Support 10,000 people in the workforce

### Milestones 2022
- 58% of our partners have set Science Based Targets
- Reduced Scope 1 and Scope 2 GHG emissions by 78%
- ~38% reduction in single use plastic packaging per item shipped since 2021
- 99% packaging material is recyclable
- Launched circular design criteria
- ~775,000 products designed and produced with circular design criteria
- Increased sustainability related assortment to >180,000 items
- Shift to third-party standards working with certification bodies + brand partners
- Validated Human Rights Due Diligence Program against requirements of German Supply Chain Due Diligence Act
- Provided skilling opportunities to 5,016 people since 2020
- Conducted upskilling program with 800 workers in supply chain in Bangladesh

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1 by emissions including brand, packaging and last-mile-delivery partners  
2 against a 2017 base year
...shape new business models and aim to make a transition towards a circular system

We want to move the fashion industry from a linear...

Products are collected for recycling or other end-of-use technologies

Products are designed for circularity and last longer

Design & Manufacture

Products are re-used and their lives extended

Closing the loop

Products are used for as long as possible within original intended purpose

Use

Re-Use

Closing the loop

Design & Manufacture

Launch of circular design criteria and design & production of 775,000 products according to circular design criteria

Use

Care and Repair pilot program in Berlin

Re-Use

Pre-owned offers over 500,000 articles in 13 countries empowering customers to reuse and resell their clothes

Closing the loop

Investment in the company Circ whose technology can recycle cotton and polyester into textile fiber

The Starting Point for Fashion

Customers | Partners | People & Planet
We continue to work towards our sustainability targets and drive a diverse and inclusive assortment with products in every category across price, size and style.

**Carbon Footprint**

**Partner Engagement**
Learning platform to set Science Based Targets

- **58%** of our suppliers\(^1\) have set science-based targets

\(^1\) By emissions, including brand, packaging, and last-mile-delivery partners

**Product Packaging**

**Plastic Packaging Reduction**
Improved folding techniques & stop of void fill usage

- **~38%** reduction in single-use plastic packaging per item shipped
- **99%** packaging material is recyclable

**Sustainability Assortment**

**Circular Design Criteria**
Private label assortment

- **~775,000** products designed and produced with circular design criteria

**Adaptive Fashion**

+ **300 styles** launched with Tommy Hilfiger, Nike and within Zalando’s own private labels

**Genderless**

Inspiring customers with a dedicated fashion hub and exclusive collections

+ **60%**

**Inclusive beauty** assortment since 2019

**+66**

Onboarded black-owned brands across beauty, jewelry and fashion in 2022

\(^1\) By emissions, including brand, packaging, and last-mile-delivery partners
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Significant runway to increase market share and profitability
One key building block to achieve our version is to transition to an industry-leading platform business model

Zalando business models

Customer choice

Wholesale inventory  Partner Program inventory  Connected Retail inventory

39% partner business share

Direct-to-Consumer

Wholesale
Zalando buys from suppliers, stores in warehouses and sells to customers.

Strategic role
Essential pillar of assortment strategy, as it allows us to provide the type of curated assortment that our customers have come to love, while serving as a tool to deepen partnerships with our brands.

Pricing, planning & inventory risk by Zalando

Partner Program
Partners (brand or retailer) connect to the Zalando platform and sells directly

Pricing, planning & inventory risk by Partner

Connected Retail
Partners connect physical stores to the Zalando platform and sells directly to customers.

Pricing, planning & inventory risk by Partner

Provide partners with a DTC sales channel, such that they can control their offer, content and pricing while connecting to our 50M+ customers. The result is that Zalando growth is enabled by both ours and partners’ efforts, while providing a more diverse and complete offer for our customers.
Benefits of our platform strategy

**Zalando benefits**
- Platform adds scale to Zalando
- Less inventory risk – while improving customer offering

**Customer benefits**
- Locally relevant assortment
- High availability

**Partner benefits**
- Direct access to European digital consumer
- Leverage Zalando capabilities (tech, data, logistics)
Highly flexible model tailored to our partners

Partner Program offers growth opportunities and advantages to all parties

ZMS  Zalando Marketing Services

ZFS  Zalando Fulfillment Solutions

✔ Partner Program & Connected Retail

ZFS  ✔

Cost-Plus

Commission 5%-25%

ZFS  ✔

ZFS  ✔

Auction-bid pricing & campaigns

Direct-to-Consumer

Control of Product, Content & Pricing

Physical Access to Consumer, Superior Order Economics & Convenience

High Sell-Through & Brand Building
ZFS offers partners a cost efficient fulfilment solution to internationalise in Partner Program while meeting the high convenience expectations of our customers

Enables internationalisation
Fast and easy internationalisation in just one contract

Superior Order Economics
Significant savings through bundling multi-brand orders in a single parcel

Unmatched convenience experience
Convenience proposition on par with Zalando wholesale

Drop ship model
- No parcel sharing
- High fulfilment cost
- Less compelling convenience proposition

ZFS model
- Multi-Brand orders in one parcel
- Parcel sharing cuts fulfilment cost
- ZFS orders are enabled for Zalando Plus

Up to 25-30% lower logistics costs
With ZMS brands can drive growth and branding by tailoring content and reaching customers across all relevant touchpoints on and off Zalando’s premises.
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   Significant runway to increase market share and profitability
We have built the unrivalled #1 online fashion platform in Europe

Active customer development¹

- More than **51m** Active customer
  - +5.7% yoy

Zalando Plus development¹

- More than **2m** Zalando Plus members
  - +130% yoy

Fashion Store and Lounge by Zalando markets

- **23** Fashion Store → **25**
- **14** Lounge by Zalando → **17**

¹ FY/22
Our true technology platform coupled with pan-European logistics network enables our position in the European fashion market.
We continued to outgrow the online fashion segment in a sustained period of significant disruption.

3-year GMV growth in % (2022 over 2019)

+80%

<table>
<thead>
<tr>
<th>Zalando</th>
<th>Online fashion segment</th>
<th>Total fashion market</th>
</tr>
</thead>
</table>

1 Euromonitor International, February 2023, values based on actuals and estimates; fixed exchange rates. Fashion data incl. apparel and footwear, bags and luggage, jewelry and watches. Data for Europe (excluding Russia) inclusive of sales tax.
...resulting in scale that provides us with **significant benefits**

**Clear leader in Europe**

<table>
<thead>
<tr>
<th>Active customer (last 12 months)¹</th>
<th>Zalando</th>
<th>Competitor 1</th>
<th>Competitor 2</th>
<th>Competitor 3</th>
<th>Competitor 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>51.2m</td>
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</table>

¹ Company information, latest last 12 month figures available, Q4/22

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1. **Leverage brand awareness**
2. **Unique ability to access global fashion supply**
3. **Proximity to logistics infrastructure**
4. **Invest into platform strategy**
   - Partner Business
   - ZFS
   - ZMS
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Significant runway to increase market share and profitability
We have an immense opportunity ahead of us and are confident to return to a double-digit growth trajectory in the medium term.

**Mid-term**
- Return to double digit GMV growth rates
- Deliver margin progression towards our adj. EBIT margin corridor of 3-6%
- Approaching high-end of corridor by 2025

**Long-term**
- Long-term goal to serve 10% of European fashion market
- Deliver EUR 30bn GMV on the way to get there
- Double digit adj. EBIT margin ambition remains unchanged

Total fashion ~450bn EUR\(^1\)

1 \(^{1}\) Source: Company estimates and Euromonitor International forecasts, February 2023, values based on actuals and estimates; fixed exchange rates. Fashion data incl. apparel and footwear, bags and luggage, jewelry and watches. Data for Europe (excluding Russia) inclusive of sales tax.
Significant runway to increase market share and profitability

~500m people in a growing EUR 450 billion fashion and lifestyle market

Population penetration¹ (active customers as % of total population)

<table>
<thead>
<tr>
<th>Markets</th>
<th>2020</th>
<th>2022</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 5 Markets</td>
<td></td>
<td></td>
<td>+2</td>
</tr>
<tr>
<td>All remaining Markets</td>
<td></td>
<td></td>
<td>+3</td>
</tr>
<tr>
<td>launched before 2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Markets</td>
<td></td>
<td></td>
<td>+3</td>
</tr>
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<td></td>
<td></td>
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</tbody>
</table>

23%  
10%  
3%

Added 7x more active customers than in Top 5 markets

¹ Source: Statista, February 2023

Long term focus

4 | ~500m people in a growing EUR 450 billion fashion and lifestyle market

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## Our partner business creates significant upside

### Partner Business Value Proposition
- **Partner Program**:
  - Curated Marketplace enabling brands’ direct-to-consumer business across Europe
- **CR Connected Retail**:
  - Digital Storefront for Offline Retailers with Nationwide Reach
- **ZFS Zalando Fulfillment Solutions**:
  - Flexible and cost-efficient turnkey solution for European E-Commerce logistics
- **ZMS Zalando Marketing Services**:
  - Data infused marketing service to elevate branding and drive sales on and off premise

### Long-term Target
- **Partner Program** ~50% of GMV
- **Zalando Fulfillment Solutions** ~75% of Partner Program Items Shipped
- **Zalando Marketing Services** ~3-4% of GMV

### Current Status (Q4/2022)
- **Partner Program** ~36% of GMV
- **Zalando Fulfillment Solutions** ~58% of Partner Program Items Shipped
- **Zalando Marketing Services** ~2% of GMV

### Revenue Model
- **Partner Program**: 5-25% Commission in % of GMV
- **Zalando Fulfillment Solutions**: Cost Plus Model
- **Zalando Marketing Services**: Auction Model

### Gross Margin Impact (vs. Group 2021)
- **Partner Program Share in % of Fashion Store GMV**

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1) Partner Program Share in % of Fashion Store GMV
Our long term profitability ambitions are unchanged as we continue to transitioning to a higher margin business and benefitting from increasing economies of scale.

| Target Margin (growth in line with / slightly above online fashion market) |
|-------------------------------------------------|-----------------|---------------------|
| In % of revenue | Wholesale$^1$ | Partner Business | Group margin impact vs. 2020 | Key Drivers |
| Gross margin | | | | Transition to a Platform business model and economies of scale |
| Fulfillment costs | | | | Reversal of temporary return rate benefit and enhanced, more sustainable convenience experience |
| Marketing costs | | | | Starting Point Vision unfolds and share of existing customers increases |
| Admin expenses | | | | Continued focus on overhead-efficiencies and economies of scale |
| Adj. EBIT margin | 6-8% | 20-25% | 10-13% | Transition to higher margin platform business and increasing economies of scale |

1) Wholesale includes Offprice
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Through our main sales channel - the Fashion Store - we offer fashion lovers in 25 European markets our wide range of products

**DACH**
- Most mature Zalando markets
- Developed online markets
- Similar consumer behaviour (e.g. higher gross baskets, high return rates, high invoice share)
- Proximity to warehouse footprint

**Rest of Europe**
- Less mature Zalando markets
- Some less developed online markets (especially southern and eastern Europe)
- Diverse set of consumer behaviour (e.g. return rates, payment methods, discount affinity, …)
- Currently in the process to build local fulfillment footprint
The value proposition to our customer is centered around relevant choice, a tailored digital shopping experience and seamless convenience.

**Relevant choice**

“If it’s not on Zalando, it doesn’t exist”

**Tailored Digital Experience**

“Zalando always knows what I want and what inspires me”

**Seamless Convenience**

“I always buy fashion on Zalando – it’s so convenient, why would I look anywhere else?”

“Zalando is my one-stop-shop for everything I want in fashion”
Our customers have a desirable and fresh assortment at their fingertips

Endless Choice

More choice...
Number of SKUs available at Zalando

2018: 530,000
2020: 890,000
+68%

...and freshness
Number of new SKUs every day

2018: 1,500
2020: 2,300
+53%

>50% SKUs are provided through our Partner Program and Connected Retail
Higher engagement...
Share of customers\(^1\) visiting 5 (or more) times per month\(^2\)

...driven by higher App visits
App visit\(^3\) share in %

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher engagement</td>
<td>47%</td>
<td>53%</td>
</tr>
<tr>
<td>+6ppts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>App visit share</td>
<td>40%</td>
<td>55%</td>
</tr>
<tr>
<td>+15ppts</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Defined as “logged-in visitor”
2) Fashion Store only
3) Based on the change in consent management following the privacy requirements, part of the data is estimated on a statistical method

Tailored Digital Experience

We allow customers to spend more time with us in more relevant ways
Making payments, delivery and returns more convenient is at the very core of what we do

Improved payment...
Offering rate in % of buy now, pay later options

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>65%</td>
<td>70%</td>
</tr>
</tbody>
</table>

...and convenience offer
Number of pick-up and drop-off points

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Points</td>
<td>83,000</td>
<td>153,000</td>
</tr>
</tbody>
</table>

Seamless Convenience

Making payments, delivery and returns more convenient is at the very core of what we do.

1) Fashion Store only
As a result, our customer base is growing, visiting us more often and happier than ever with our experience.

Active customers

2018: 26.4m
2020: 38.7m
+46%

Site visits

2018: 3.1bn
2020: 5.4bn
+72%

Customer satisfaction

(Zalando Fashion Store NPS)

2020: 63
All time high

1) Based on the change in consent management following the privacy requirements, part of the data is estimated on a statistical method.
The consistently positive long term development of our customer cohorts demonstrates our ability to build deeper and healthier customer relationships over time.

1) Cohort refers to customers grouped by the calendar year in which they first placed an order with Zalando.

Total GMV per Cohort¹ and Order Year

1. Older cohorts grow over time
2. Customer churn reduces over time
3. Every new cohort has a larger GMV than previous ones
On top of our core fashion experience we continuously introduce our customers to adjacent and new propositions to drive deeper engagement and long-term loyalty.

Improving the core (fashion) experience

- Relevant choice
- Seamless convenience
- Tailored digital experience

Elevating distinct customer propositions

- Beauty
- Sports
- Zalando Plus
- Pre-Owned
- Zalando Lounge
- And more. (e.g. Designer)
To make the look for our customers complete, we have launched our beauty segment in 2018 and serve them a distinct multisensory experience.

>35,000 PRODUCTS
Available in Germany, Austria, Poland, Sweden, Denmark, Italy, France, Belgium, Switzerland and Netherlands

>550 BRANDS
and many more to come

~60% of beauty orders contain at least one fashion item

Guide to DIY Beauty Salon
At-home Beauty Treatments

ENGAGING AND INSPIRING CONTENT AND ADVICE
To provide our best customers the best version of Zalando, we introduced our fashion tailored membership program Zalando Plus in 2018...

<table>
<thead>
<tr>
<th>Get items faster</th>
<th>Unlimited premium delivery – members get orders within 1-2 business days, without paying extra. Depending on where they live, they may arrive the very same day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shop it first</td>
<td>Members find out first - if liked items are back in stock or on sale Plus members will be notified first.</td>
</tr>
<tr>
<td>Feel more fabulous</td>
<td>Service with style - free advice from our personal stylists, and priority treatment every time you contact Customer Care</td>
</tr>
<tr>
<td>Exclusive Offers</td>
<td>Members enjoy sneak preview, exclusive offers and more.</td>
</tr>
</tbody>
</table>

For only 15€/year
| ~3x | Higher GMV spend per Plus customer vs. average non-Plus customer |
| +10pts | NPS score of Plus members significantly higher than non-members |
| 4 | Available in France, Netherlands, Italy and Germany |

One million Plus members
Zalando launched the most effortless Pre-owned fashion experience in Europe in 2020

**Buying Pre-owned**
Discover pre-owned items in a dedicated Category (separate section onsite) with the same seamless Zalando experience

- Curated assortment of quality-checked Women’s and Men’s wear items.
- All items processed and sold by Zalando: no customer-to-customer sales.
- Same Zalando convenience proposition (100 day return, payment, etc.) plus carbon neutral shipping in plastic-free packaging.

**Trade-in**
Effortlessly trade in those fashion items you no longer wear to Zalando in exchange for credit or a donation

- Easy upload with just one photo and seamless trade-in of items bought on Zalando or elsewhere
- Fast and direct offer from Zalando: no C2C bargaining, no waiting time
- Free shipping: Zalando pays all delivery & returns of trade-in items for our customers

---

1) Live in BE, DE, ES, FR, NL and PL
Zalando Lounge is our shopping club addressing discount affine bargain hunters looking for great fashion deals

- **Up to 75%** Discount offered
- **72h** Limited runtime of campaigns
- **1.6bn** GMV in 2021

Never miss our limited time offers

Keep track of your favourite deals
Zalando Lounge represents a distinct shopping proposition surprising fashion lovers with fresh deals every morning.

7AM  | Start of campaign

25%  | DAU / MAU

70%  | Share of new customers making purchase on the app

Hourly visits as % of total daily visits

Start of campaigns at 7AM
Table of Contents

1. The Zalando Group
2. Customer propositions
3. Platform & partner propositions
   ○ Partnership models
   ○ Platform services
4. Strategic e-commerce capabilities
5. Business segments & financials
6. Share, convertible bond & contact
We offer our brand and retail partners three different partnership models that determines the way how we source fashion supply for our platform.

**Wholesale**

Zalando buys from suppliers, stores in warehouses and sells to customers. Zalando does pricing and merchandising. Zalando carries inventory risk.

**Partner Program**

Partners connect to the Zalando platform and sell directly to consumers. Partner does pricing and merchandising. Partner carries inventory risk.

For Backfill + additional assortment.

**Connected Retail**

Physical stores connect to the Zalando platform and sell directly to consumers. Store does pricing and merchandising. Store carries inventory risk.

For Backfill + additional assortment.
Strong wholesale partnerships represent a key success criterion in establishing Zalando as Europe’s leading online retailer and lay the foundation of our platform transformation

Wholesale

Partners can leverage Europe’s most powerful sales channel for their products while we take care of all operations and inventory (price is set by Zalando)

Partner benefits:

- Profound expertise of Zalando buyers
- Data-driven insights into customers’ online shopping behavior
- We take care of all operations
- Inventory risk is on Zalando
Opening our infrastructure for partners was a logical next step and our strategic response to the emerging trend of direct-to-consumer among our partners...

Partner Program
Partners can directly integrate stock with Zalando and manage their growth, while retaining control over products, prices and brand representation.

Partner benefits:

- Increase profitability, leverage overall business processes and cut costs
- Get direct access to millions of customers
- Partner sets prices
- Curated assortment integrated in catalogue
- Partners can manage growth (not limited by budget)
...and with Connected Retail we expanded the platform model to the offline world

**Connected Retail**
Partners can integrate physical stores with Zalando and start selling online to millions of Zalando customers - without the need of having an own ecom channel!

**Partner benefits:**

- More than 60% increase in store revenue per sqm
- More than 100% increase in stock turnover
- No upfront investments, all costs are variable
- Be in full control of article prices at all times
- Increase in sales per square meter is independent of foot traffic
Consequently, our platform offers two major direct-to-consumer business models our partners can combine to complement their existing channel mix.

**Partner Program**
- **Partner:** Brands & large multi-brand Retailers (with own e-com operations)
- **Fulfilment:** ZFS & drop ship

**Connected Retail**
- **Partner:** Brick-and-mortar (Brand, Franchise & independent)
- **Fulfilment:** drop ship
Case Study: Connected Retail

Accelerating Direct-to-Consumer leveraging the platform

Wöhrl
**Wöhrl leveraging Connected Retail to strengthen their online presence**

**Boosting the topline**
Wöhrl has shipped more than 401k parcels to customers all over DE - In Q1/21, the partner has already reached a growth of >89% compared to 2020 and belongs to the top 3 Connected Retail partners.

**Co-designing the future**
Wöhrl is actively involved in designing (future) use cases and interfaces - creating maximum value for the retailer.

**Joining a movement**
Wöhrl joined the dynamically growing Connected Retail network of more than 7,000 (2022) stores.

---

**CR Ship-from-Store Model**

- **Customer**
- **Zalando**
- **Wöhrl Store**
1. The Zalando Group
2. Customer propositions
3. Platform & partner propositions
   ○ Partnership models
   ○ Platform services
4. Strategic e-commerce capabilities
5. Business segments & financials
6. Share, convertible bond & contact
Zalando enables partners to maximize the benefits of their business on Zalando with its tailor-made services

1. Improve logistics: Logistics Solutions

Zalando Fulfillment Solutions (ZFS) takes over responsibility for the entire customer facing logistics chain. Allows partners to have more impact in Zalando’s PP, an easier access to markets, high service standards, and lower shipping costs.

Zalando Shipping Solutions (ZSS) enables shipments from the partner’s warehouse by leveraging Zalando’s transportation network.

2. Create demand: Marketing Services

Zalando Marketing Services (ZMS) helps brands to create, connect and grow on a new level across different channels.

Zalando serves as strategic partner to advertisers, helps to increase brand impact, drive sales and celebrate product launches with tailored messages.

3. Reduce overstock: Offprice Solutions

Zalando Lounge offers the possibility to manage excess inventory, clearing overstock while maintaining brand equity.

Provides help minimizing access inventory, acquiring new customers and reducing red-price items.

Availability

- Wholesale
- Partner Program
- Connected Retail

- Wholesale
- Partner Program
- Connected Retail

- Wholesale
- Partner Program (via ZFS integration)
- Connected Retail
Since fulfillment is challenging for partners at times they can make use of our fulfillment capabilities via Zalando Fulfillment Solutions

Zalando Fulfillment Solutions (ZFS)
ZFS drives Partner Program success by giving you access to Europe’s most efficient fashion fulfillment network - We take over the entire customer-facing fulfillment chain.

Partner benefits:
- Quicker reach throughout Europe
- Lower shipping costs
- Ensuring your customers’ receive a single parcel when ordering on Zalando
ZFS offers partners a cost efficient fulfilment solution to internationalise in Partner Program while meeting the high convenience expectations of our customers.

**Enables internationalisation**
Fast and easy internationalisation in just one contract

**Superior Order Economics**
Significant savings through bundling multi-brand orders in a single parcel

**Unmatched convenience experience**
Convenience proposition on par with Zalando wholesale

---

**Drop ship model**
- No parcel sharing
- High fulfilment cost
- Less compelling convenience proposition

**ZFS model**
- Multi-Brand orders in one parcel
- Parcel sharing cuts fulfilment cost
- ZFS orders are **PLUS** Premium Delivery enabled

---

**Up to 25-30% lower logistics costs**
Case Study: Partner Program & ZFS

Driving profitable growth across all markets in a platform enabled Direct-to-Consumer model

Mango
Mango accelerating profitable growth by leveraging ZFS to improve efficiencies in convenience

**Mango’s challenge:**
- Unfavorable drop-ship fulfillment cost
- Difficulties to meet Zalando convenience proposition

**Platform solution:**
- Joined ZFS to leverage our European logistics network

**Results:**
- The fast and reliable service of ZFS improved Mango’s convenience proposition and increased customer satisfaction
- Mango will further grow the ZFS share in 2021
Mango is one of many partners leveraging ZFS for their advantage

- ZFS is the **preferred fulfilment option** in **11 of 17 countries** (FY20)

- In 2021, **more than half of all Partners** in Partner Program used ZFS to some extent

- Resulting in a **55% ZFS items** share of all Partner Program items shipped

\[^1\] 55% ZFS share in Q4 2021
With ZSS Zalando offers procedural simplicity with one integration and attractive transport conditions for its partners

Zalando Shipping Solutions (ZSS)

ZSS enables our partners to grow internationally and deliver on customer promises cross-border from partner warehouse to end consumer by leveraging the Zalando transportation network and contracts with last-mile carriers.

Partner benefits:

- Grow business in new markets with cross-border shipping from your warehouse to end consumer
- Only one contract partner and single integration
- Attractive pricing without integration costs

One Integration = Multiple Countries

Up to 15% lower transport costs
Our logistic services make customers benefit from increased choice and the ability to shop multiple brands at one single destination with maximum convenience.

<table>
<thead>
<tr>
<th>Wholesale / Retail</th>
<th>Partner Program with ZFS</th>
<th>Partner Program Drop-ship (w ZSS)</th>
<th>Connected Retail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product ownership &amp; control</td>
<td>Zalando buys product and has full control</td>
<td>Direct integration of stock and brand has full control over products, prices and product representation.</td>
<td></td>
</tr>
<tr>
<td>Customer check-out (point of sale)</td>
<td>Zalando warehouse; one Zalando-branded parcel</td>
<td>Zalando shops / App (e.g. Zalando.de)</td>
<td>Partner warehouse; separate partner-branded parcel</td>
</tr>
<tr>
<td>Warehousing &amp; Packaging</td>
<td>Zalando transportation network (middle and last mile)</td>
<td>Partner warehouse; separate partner-branded parcel</td>
<td>Brick &amp; Mortar store; separate partner-branded parcel</td>
</tr>
<tr>
<td>Shipping</td>
<td>Customer returns products in one parcel to Zalando network</td>
<td>Zalando transportation network (middle and last mile)</td>
<td>Partner transportation network (middle and last mile)</td>
</tr>
<tr>
<td>Returns</td>
<td></td>
<td>Customer returns products in separate parcel to partner network</td>
<td>Customer returns products in separate parcel to store</td>
</tr>
</tbody>
</table>

One order = one parcel

- **Premium Delivery**
ZMS enables partners to connect their brands to Europe’s largest fashion audience at the point of sale and beyond

Zalando Marketing Services (ZMS)
ZMS connects our partners to >50m customers, boosts their sales and positions their brand.

Partner benefits:

● Partners drive sales by tailor-made campaigns
● Strengthen brand positioning and tell brand stories
● Celebrate product drops across many different channels and all Zalando markets
● Source and distribute authentic content produced by the most inspiring influencers
With ZMS brands can drive growth and branding by tailoring content and reaching customers across all relevant touchpoints on and off Zalando’s premises.

**Insights**
Integration of customer insights alongside the Partners’ Go-to-Market Process

**Content**
Inspiring and tailored stories through disruptive ideas powered by data

**Growth**
Drive Business growth on Zalando platform by securing product visibility in the catalog

**Branding**
Boosting your brand visibility across multiple channels on Zalando and beyond
Through ZMS we offer our partners actionable insights to understand customers...

**Insights** to understand the customer:

- Via brand health metrics in the Zalando app
- Via purchase behaviour by demographic and target group
- Via SKU performance insights
- Via benchmarks of your brands and sales to your peers
- Via survey based perception analyses
...and tailor engaging and inspiring content to them

**Influencer Marketing**
- Address new audiences
- Produce creative campaigns
- Inspire through authentic stylings

**Creative Campaigns**
- Creative Strategy
- Ideation
- Execution

**Product-Focused Content**
- Engaging video and lifestyle images for PDPs
- e-Com content production

**Digital Experiences**
- Landing pages
- Style guides
- Interactive Fit Finder
Partner can use these valuable insights and engaging contents to either drive direct sales or to build their brand across all relevant touchpoints:

**Growth & branding** across all relevant touchpoints:

- Through **awareness** formats in Zalando’s inspiring and content-focused environment
- Through all **digital channels**
- Through category and **product-focused** ad slots within the multi-brand shopping funnel
- Through **influencer** generated content
Case Study: ZMS

Connecting to the consumer on the platform

The North Face
The North Face conveyed their brand story to a new target audience by leveraging ZMS

The North Face’s challenge:

- Customer acquisition and deepening customer relationships
- Low brand consideration among younger female customers
- Content production & consumer activation in difficult times of COVID-19

Platform solution:

- **ZMS insights** enabled TNF to understand consumers and their own positioning better
- Based on the insights, ZMS Creative **ideated & produced inspiring content** for the right target audience
- **Integrated media activation** from branding to performance all along the user journey with the right message at the right moment.
With Zalando Lounge Zalando supports its partners to minimize excess inventory while maintaining brand image

Partner benefits:

- Minimize access inventory while maintaining brand image
- Max. 4 days of brand visibility per campaign
- Acquire new customers
- Minimize the number of red-price items on partner’s regular sales channels
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1. The Zalando Group  
2. Customer propositions  
3. Partner propositions  
4. Strategic e-commerce capabilities  
5. Business segments & financials  
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We are distinctly positioned to capitalize on this tremendous growth opportunity

**Customer choice**

- Wholesale inventory
- Partner Program inventory
- Connected Retail inventory

Direct-to Consumer

**Technology & Data Platform**

- Proprietary cloud-based technology platform covering the whole value chain of fashion
- Unique data infrastructure and state of the art AI expertise that drive data based value creation (e.g. size & fit)

**Highly scalable**

**Payments Platform**

- Inhouse Payments Platform equipped with e-Money license processing all Zalando payment transactions
- Proprietary Buy Now Pay Later solution with >70% offering rate across 12 Markets

**European Logistic network**

- Highly differentiated fashion fulfillment capability to enhance and extend our role in the industry
- 12 site across 7 countries, progress in setting up 4 new fulfillment centers until 2025

Focus on continued organic investments, supported by selective M&A

Strategic e-commerce capabilities
Our customers are looking for the most comprehensive assortment – over the past two years we have made major steps forwards...

**All Brands**

# of Brands on Zalando

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>~2,000</td>
<td>~4,000</td>
</tr>
<tr>
<td>Percentage</td>
<td>~100%</td>
<td></td>
</tr>
</tbody>
</table>

**Endless Choice**

# of SKUs (k) on Zalando

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>~530</td>
<td>~890</td>
</tr>
<tr>
<td>Percentage</td>
<td>~68%</td>
<td></td>
</tr>
</tbody>
</table>

**Better Availability**

Backfill GMV\(^1\) of Partners and Stores in m EUR

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>~190</td>
<td>~690</td>
</tr>
<tr>
<td>Percentage</td>
<td>~263%</td>
<td></td>
</tr>
</tbody>
</table>

>50% of SKUS offered by partners

“**If I cannot find an item on Zalando it does not exist**”

---

1) Partner GMV generated through SKUs offered by Zalando & Partner
...by allowing our Partners to leverage several unrivaled benefits to tackle their challenges in selling direct-to-consumer

Fast & easy access
...to the largest & most diverse online customer base in fashion in Europe

Complementing capabilities
...with a variety of business models & services

Easy to use tools
...to steer performance and gather insights on customers and products

Highly flexible
...business model and service mix to fit any Partners’ challenges & strategy
We offer a broad range of payment methods to satisfy local customer preferences with a particular focus on deferred payments...

Countries

Payment Methods
>

Deferred Payments

>70% offering rate (i.e., for invoice and other deferred payment methods)
…to create a risk-free check-out-at-home-experience for our customers
We are building Europe’s leading fashion technology & data platform to improve the customer experience, power the fashion ecosystem and maximize business value

<table>
<thead>
<tr>
<th>For our customers</th>
<th>For our partners</th>
<th>For ourselves</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improving the customer experience</td>
<td>Enabling business opportunities through customer</td>
<td>Scaling efficiently and maximizing value by leveraging the</td>
</tr>
<tr>
<td>through personalization and inspiration:</td>
<td>insights:</td>
<td>power the power of big data and AI:</td>
</tr>
<tr>
<td>• Catalogue and search optimization</td>
<td>• Detailed customer &amp; competitive insights</td>
<td>• Demand forecasting</td>
</tr>
<tr>
<td>• Product recommendation</td>
<td>• Data driven marketing &amp; merchandising</td>
<td>• ROI based performance marketing</td>
</tr>
<tr>
<td>• Algorithmic outfit creation</td>
<td>• Targeted brand &amp; performance marketing (ZMS)</td>
<td>• Pricing &amp; inventory management</td>
</tr>
<tr>
<td>• Size recommendation</td>
<td>• Inventory management (ZFS)</td>
<td>• Deferred payment risk management</td>
</tr>
<tr>
<td>• Personalized service offering</td>
<td>• Targeted and testable product &amp; content development</td>
<td>• Logistics network optimization</td>
</tr>
</tbody>
</table>

Unique data infrastructure and state of the art governance allow all Zalando teams to drive data based value creation
To ensure a fast and convenient delivery and return handling to our customers we are heavily investing into our fulfillment network.

Zalando's fulfillment network and start of operations

<table>
<thead>
<tr>
<th>No.</th>
<th>Location</th>
<th>Type</th>
<th>Capex (€m)</th>
<th>Size (k sqm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Erfurt (GER)</td>
<td>Hub</td>
<td>~100</td>
<td>~130</td>
</tr>
<tr>
<td>2</td>
<td>Mönchengladbach (GER)</td>
<td>Hub</td>
<td>~100</td>
<td>~130</td>
</tr>
<tr>
<td>3</td>
<td>Lahr (GER)</td>
<td>Hub</td>
<td>~150</td>
<td>~130</td>
</tr>
<tr>
<td>4</td>
<td>Paris (FR)</td>
<td>Spoke</td>
<td>&lt;50</td>
<td>&lt;50</td>
</tr>
<tr>
<td>5</td>
<td>Stockholm (SWE)</td>
<td>Spoke</td>
<td>&lt;50</td>
<td>&lt;50</td>
</tr>
<tr>
<td>6</td>
<td>Szczecin (PL)</td>
<td>Hub</td>
<td>&lt;50</td>
<td>&lt;50</td>
</tr>
<tr>
<td>7</td>
<td>Ludwigsfelde (GER) (for Lounge)</td>
<td>Hub</td>
<td>&lt;50</td>
<td>&lt;50</td>
</tr>
<tr>
<td>8</td>
<td>Olsztyn (PL) (for Lounge)</td>
<td>Hub</td>
<td>~100</td>
<td>~130</td>
</tr>
<tr>
<td>9</td>
<td>Lodz (PL)</td>
<td>Hub</td>
<td>~100</td>
<td>~130</td>
</tr>
<tr>
<td>10</td>
<td>Verona (IT)</td>
<td>Hub</td>
<td>~150</td>
<td>~80</td>
</tr>
<tr>
<td>11</td>
<td>Rotterdam (NL)</td>
<td>Hub</td>
<td>~200</td>
<td>~150</td>
</tr>
<tr>
<td>12</td>
<td>Madrid (ES)</td>
<td>Spoke</td>
<td>&lt;50</td>
<td>&lt;50</td>
</tr>
<tr>
<td>13</td>
<td>Poznan (PL)</td>
<td>Hub</td>
<td>~100</td>
<td>~130</td>
</tr>
<tr>
<td>14</td>
<td>Frankfurt (GER)</td>
<td>Hub</td>
<td>&gt;250</td>
<td>~150</td>
</tr>
<tr>
<td>15</td>
<td>Paris (FR)</td>
<td>Hub</td>
<td>&gt;250</td>
<td>~150</td>
</tr>
<tr>
<td>16</td>
<td>Bydgoszcz (PL) (for Lounge)</td>
<td>Hub</td>
<td>~100</td>
<td>~140</td>
</tr>
<tr>
<td>17</td>
<td>Brzoza (PL) (for Lounge)</td>
<td>Hub</td>
<td>&lt;50</td>
<td>~100</td>
</tr>
</tbody>
</table>
We continue to focus on warehouse automation to reduce lead time and costs.
We furthermore make use of a local delivery network - orchestrated via technology
1. The Zalando Group
2. Zalando’s value proposition to customers
3. Strategic e-commerce capabilities
4. Zalando’s value proposition to partners
5. Business segments & financials
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We manage our business in three distinct segments representing a sales channel logic...

**Fashion Store**
- The online shops, the main sales channel in 25 markets
- Digital shopping mall experience, characterized by a high level of convenience, a comprehensive in-season assortment and an on-site experience optimized for browsing and inspiration
- Business model currently under transformation: from wholesale to platform i.e. fast-growing partner program businesses where products are provided by multiple third parties (e.g. brand & retail partners)
- Includes private label business zLabels

**Offprice**
- zalando lounge – online shopping club for bargain hunters that focuses on off-season and highly discounted merchandise with lower level of convenience (pure retail), active in 17 markets
- zalando outlet – eleven physical stores in DE

**Others**
- Segment contains Zalando Marketing Services, inventory integration service from Tradebyte (SaaS), and other business
...and report our 25 European markets in two geographical segments

### Fashion Store revenue & adj. EBIT FY/22 per region

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenue &amp; adj. EBIT FY/22</th>
<th>YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>DACH</td>
<td>-2.9%</td>
<td></td>
</tr>
<tr>
<td>Rest of Europe</td>
<td>+4.2%</td>
<td></td>
</tr>
</tbody>
</table>

### DACH
- Most mature Zalando markets
- Similar consumer behavior (e.g. higher gross baskets, high return rates, high invoice share)
- Proximity to warehouse footprint

### Rest of Europe
- Some less developed online markets
- Diverse set of consumer behavior (e.g. return rates, payment methods, discount affinity, …)

DACH
- Hungary and Romania launched in 2022

Rest of Europe
- Launched in 2021
## Group Key Figures

Zalando group key figures as of Q2/23

<table>
<thead>
<tr>
<th>Results of operations</th>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Quarter</th>
<th>Quarter</th>
<th>Half-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY/19</td>
<td>FY/20</td>
<td>FY/21</td>
<td>FY/22</td>
<td>Q1/23</td>
<td>Q2/23</td>
<td>H1/23</td>
</tr>
<tr>
<td>Average GMV per active customer (LTM) (in EUR)</td>
<td>265.0</td>
<td>276.4</td>
<td>295.6</td>
<td>288.8</td>
<td>291.0</td>
<td>293.3</td>
<td>293.3</td>
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<tr>
<td>Active customers LTM (m)</td>
<td>31.0</td>
<td>38.7</td>
<td>46.5</td>
<td>51.2</td>
<td>51.2</td>
<td>50.5</td>
<td>50.5</td>
</tr>
<tr>
<td>Number of orders (m)</td>
<td>144.9</td>
<td>185.5</td>
<td>252.2</td>
<td>260.7</td>
<td>56.7</td>
<td>63.2</td>
<td>119.9</td>
</tr>
<tr>
<td>Average order per active customer (LTM)</td>
<td>4.36x</td>
<td>4.79x</td>
<td>5.2x</td>
<td>5.1x</td>
<td>5.1x</td>
<td>5.0x</td>
<td>5.0x</td>
</tr>
<tr>
<td>Average basket size (in EUR) (LTM)</td>
<td>56.6</td>
<td>57.7</td>
<td>56.8</td>
<td>56.7</td>
<td>57.4</td>
<td>56.1</td>
<td>56.1</td>
</tr>
<tr>
<td>Revenue (in EUR m)</td>
<td>6,482.5</td>
<td>7,982.0</td>
<td>10,354.0</td>
<td>10,344.8</td>
<td>2,255.6</td>
<td>2,556.3</td>
<td>4,811.9</td>
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<tr>
<td>Adjusted EBIT (in EUR m)</td>
<td>224.9</td>
<td>420.8</td>
<td>488.4</td>
<td>184.8</td>
<td>(0.7)</td>
<td>144.8</td>
<td>144.1</td>
</tr>
<tr>
<td>Adjusted EBIT margin</td>
<td>3.5%</td>
<td>5.3%</td>
<td>4.5%</td>
<td>1.8%</td>
<td>0.0%</td>
<td>5.7%</td>
<td>3.0%</td>
</tr>
<tr>
<td>EBIT (in EUR m)</td>
<td>165.8</td>
<td>367.0</td>
<td>424.7</td>
<td>81.0</td>
<td>(26.2)</td>
<td>86.8</td>
<td>60.6</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>2.6%</td>
<td>4.6%</td>
<td>4.1%</td>
<td>0.8%</td>
<td>(1.2%)</td>
<td>3.4%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Other key figures (in EUR m)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Net working capital</td>
<td>(147.7)</td>
<td>(87.4)</td>
<td>(162.1)</td>
<td>(211.6)</td>
<td>8.9</td>
<td>(114.2)</td>
<td>(114.2)</td>
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<tr>
<td>Cash flow from operating activities</td>
<td>527.2</td>
<td>527.4</td>
<td>616.2</td>
<td>459.9</td>
<td>(168.8)</td>
<td>371.1</td>
<td>304.4</td>
</tr>
<tr>
<td>Cash flow from investing activities</td>
<td>(290.3)</td>
<td>(217.8)</td>
<td>(335.9)</td>
<td>(476.2)</td>
<td>(30.2)</td>
<td>(45.3)</td>
<td>(83.5)</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>41.6</td>
<td>284.5</td>
<td>283.2</td>
<td>(18.8)</td>
<td>(205.0)</td>
<td>330.7</td>
<td>125.8</td>
</tr>
<tr>
<td>Capex</td>
<td>(300.5)</td>
<td>(250.0)</td>
<td>(332.9)</td>
<td>(351.7)</td>
<td>(37.7)</td>
<td>(39.2)</td>
<td>(70.9)</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>976.5</td>
<td>2,644.0</td>
<td>2,287.9</td>
<td>2,024.8</td>
<td>1,764.8</td>
<td>2,075.6</td>
<td>2,075.6</td>
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<tr>
<td>Number of employees as of reporting date</td>
<td>13,763.0</td>
<td>14,194.0</td>
<td>17,043.0</td>
<td>10,999*</td>
<td>10,701*</td>
<td>16,510*</td>
<td>10,516*</td>
</tr>
<tr>
<td>Basic earnings per share (in EUR)</td>
<td>0.40</td>
<td>0.90</td>
<td>0.91</td>
<td>0.07</td>
<td>(0.15)</td>
<td>0.22</td>
<td>0.07</td>
</tr>
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</table>

* Average number of employees
## Income Statement

Zalando group income statement (in EUR m) as of Q2/23

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue FY19</th>
<th>Revenue FY20</th>
<th>Revenue FY21</th>
<th>Revenue FY22</th>
<th>Quarter H1/23</th>
<th>Quarter H2/23</th>
<th>Half Year H1/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>% growth</td>
<td>20.3%</td>
<td>25.1%</td>
<td>29.7%</td>
<td>30.0%</td>
<td>2.3%</td>
<td>2.5%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(3,724.3)</td>
<td>(4,587.0)</td>
<td>(6,027.7)</td>
<td>(6,280.3)</td>
<td>(1,401.1)</td>
<td>(1,516.3)</td>
<td>(2,910.5)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>2,452.7</td>
<td>2,823.0</td>
<td>3,344.2</td>
<td>3,765.8</td>
<td>2,456.5</td>
<td>2,568.4</td>
<td>4,611.9</td>
</tr>
<tr>
<td>% margin</td>
<td>42.2%</td>
<td>42.5%</td>
<td>41.7%</td>
<td>40.0%</td>
<td>32.6%</td>
<td>32.3%</td>
<td>30.2%</td>
</tr>
<tr>
<td>Selling and distribution costs</td>
<td>(2,295.1)</td>
<td>(2,716.0)</td>
<td>(3,529.1)</td>
<td>(3,507.1)</td>
<td>(758.7)</td>
<td>(799.7)</td>
<td>(1,654.4)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(209.0)</td>
<td>(219.2)</td>
<td>(383.2)</td>
<td>(400.4)</td>
<td>(100.5)</td>
<td>(122.9)</td>
<td>(241.4)</td>
</tr>
<tr>
<td>Other operating income</td>
<td>18.2</td>
<td>26.7</td>
<td>32.6</td>
<td>26.1</td>
<td>5.3</td>
<td>5.0</td>
<td>13.4</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(16.6)</td>
<td>(18.7)</td>
<td>(11.5)</td>
<td>(15.1)</td>
<td>(6.9)</td>
<td>(36.2)</td>
<td>(45.0)</td>
</tr>
<tr>
<td>EBIT</td>
<td>165.8</td>
<td>367.0</td>
<td>424.7</td>
<td>410.0</td>
<td>85.8</td>
<td>90.5</td>
<td>106.0</td>
</tr>
<tr>
<td>% margin</td>
<td>6.5%</td>
<td>10.0%</td>
<td>9.9%</td>
<td>8.7%</td>
<td>3.3%</td>
<td>3.1%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Financial result</td>
<td>(20.9)</td>
<td>(40.9)</td>
<td>(70.4)</td>
<td>(42.2)</td>
<td>(25.6)</td>
<td>(3.4)</td>
<td>(25.0)</td>
</tr>
<tr>
<td>EBIT</td>
<td>142.9</td>
<td>326.1</td>
<td>354.3</td>
<td>257.8</td>
<td>60.2</td>
<td>87.0</td>
<td>80.0</td>
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<td>% margin</td>
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<td>4.0%</td>
<td>5.0%</td>
<td>3.0%</td>
<td>2.6%</td>
<td>3.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Income taxes</td>
<td>(45.2)</td>
<td>(92.4)</td>
<td>(119.7)</td>
<td>(22.0)</td>
<td>13.3</td>
<td>(26.7)</td>
<td>(13.4)</td>
</tr>
<tr>
<td>Net income</td>
<td>97.7</td>
<td>233.7</td>
<td>235.3</td>
<td>235.8</td>
<td>46.5</td>
<td>60.3</td>
<td>66.6</td>
</tr>
<tr>
<td>% margin</td>
<td>5.3%</td>
<td>7.3%</td>
<td>7.2%</td>
<td>7.8%</td>
<td>1.9%</td>
<td>1.9%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Depreciation &amp; amortization</td>
<td>194.6</td>
<td>214.5</td>
<td>235.4</td>
<td>312.4</td>
<td>77.3</td>
<td>75.9</td>
<td>153.2</td>
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<tr>
<td>EBITDA</td>
<td>366.6</td>
<td>528.1</td>
<td>560.1</td>
<td>400.0</td>
<td>133.2</td>
<td>142.6</td>
<td>213.8</td>
</tr>
<tr>
<td>% margin</td>
<td>2.8%</td>
<td>2.5%</td>
<td>2.6%</td>
<td>3.0%</td>
<td>3.1%</td>
<td>2.1%</td>
<td>3.0%</td>
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<tr>
<td>Share-based payments</td>
<td>46.0</td>
<td>53.8</td>
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<td>21.1</td>
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<td>4.0</td>
<td>9.2</td>
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<td>Restructuring costs</td>
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<td>0.0</td>
<td>0.0</td>
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<td>0.0</td>
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<td>Operating one-time effects</td>
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<td>19.6</td>
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<td>0.0</td>
</tr>
<tr>
<td>Adj. EBIT</td>
<td>224.8</td>
<td>426.8</td>
<td>466.4</td>
<td>184.6</td>
<td>(0.7)</td>
<td>144.8</td>
<td>144.1</td>
</tr>
<tr>
<td>% margin</td>
<td>5.5%</td>
<td>5.3%</td>
<td>5.1%</td>
<td>3.8%</td>
<td>0.0%</td>
<td>5.7%</td>
<td>5.0%</td>
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<td>Adj. EBITDA</td>
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<td>656.3</td>
<td>703.8</td>
<td>497.0</td>
<td>76.6</td>
<td>229.7</td>
<td>297.3</td>
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<tr>
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<td>8.0%</td>
<td>8.6%</td>
<td>6.8%</td>
<td>3.0%</td>
<td>8.6%</td>
<td>6.2%</td>
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</tbody>
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## Segments

### Segment performance as of Q2/23

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<tr>
<th></th>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Quarter</th>
<th>Quarter</th>
<th>Quarter</th>
<th>Half-Year</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2020</td>
<td>2021</td>
<td>2022</td>
<td>Q1/23</td>
<td>Q2/23</td>
<td>Q2/23</td>
<td>H1/23</td>
</tr>
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<td>Gross merchandised volume (GMV) (in EUR m)</td>
<td>9,222.0</td>
<td>10,606.0</td>
<td>14,332.7</td>
<td>14,752.8</td>
<td>3,232.7</td>
<td>3,718.1</td>
<td>6,950.7</td>
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<tr>
<td>Revenue (in EUR m)</td>
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<td>2,556.5</td>
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<td>9,423.2</td>
<td>9,150.4</td>
<td>1,912.1</td>
<td>2,069.3</td>
<td>3,981.4</td>
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</tr>
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<td>thereof DACH</td>
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<td>792.3</td>
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<td>3,007.5</td>
<td>5,121.4</td>
<td>5,147.9</td>
<td>1,020.4</td>
<td>1,152.4</td>
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<td>1,522.8</td>
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</tr>
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<td>159.0</td>
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<td>(446.3)</td>
<td>(760.8)</td>
<td>(761.8)</td>
<td>(58.4)</td>
<td>(60.1)</td>
<td>(128.6)</td>
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</tr>
<tr>
<td>Adjusted EBIT (in EUR m)</td>
<td>224.9</td>
<td>420.9</td>
<td>468.8</td>
<td>184.8</td>
<td>(6.7)</td>
<td>144.8</td>
<td>144.4</td>
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</tr>
<tr>
<td>Fashion Store</td>
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<td>61.2</td>
<td>113.5</td>
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<td>(16.3)</td>
<td>(88.4)</td>
<td>(51.9)</td>
<td>24.4</td>
<td>(22.1)</td>
<td></td>
</tr>
<tr>
<td>Office</td>
<td>77.7</td>
<td>88.0</td>
<td>104.5</td>
<td>56.6</td>
<td>24.5</td>
<td>25.4</td>
<td>50.6</td>
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</tr>
<tr>
<td>All other segments</td>
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<td>3.7</td>
<td>38.6</td>
<td>(3.5)</td>
<td>7.7</td>
<td>6.2</td>
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</tr>
<tr>
<td>Reconciliation</td>
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<td>0.2</td>
<td>4.4</td>
<td>(3.3)</td>
<td>(4.7)</td>
<td>1.1</td>
<td>(3.5)</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBIT margin (in %)</td>
<td>3.5%</td>
<td>5.3%</td>
<td>4.3%</td>
<td>1.8%</td>
<td>–</td>
<td>5.7%</td>
<td>3.0%</td>
<td></td>
</tr>
<tr>
<td>Fashion Store</td>
<td>3.7%</td>
<td>4.7%</td>
<td>3.7%</td>
<td>1.0%</td>
<td>(1.1%)</td>
<td>5.3%</td>
<td>2.3%</td>
<td></td>
</tr>
<tr>
<td>thereof DACH</td>
<td>7.6%</td>
<td>8.7%</td>
<td>8.7%</td>
<td>4.5%</td>
<td>4.1%</td>
<td>0.8%</td>
<td>6.8%</td>
<td></td>
</tr>
<tr>
<td>thereof Rest of Europe</td>
<td>0.9%</td>
<td>1.4%</td>
<td>(0.3%)</td>
<td>(1.7%)</td>
<td>(5.1%)</td>
<td>2.6%</td>
<td>(1.0%)</td>
<td></td>
</tr>
<tr>
<td>Office</td>
<td>4.2%</td>
<td>9.0%</td>
<td>7.2%</td>
<td>3.5%</td>
<td>5.8%</td>
<td>5.8%</td>
<td>5.9%</td>
<td></td>
</tr>
<tr>
<td>All other segments</td>
<td>(2.3%)</td>
<td>(4.0%)</td>
<td>3.2%</td>
<td>10.7%</td>
<td>(1.8%)</td>
<td>7.9%</td>
<td>3.4%</td>
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</tr>
<tr>
<td>Reconciliation</td>
<td>(0.2%)</td>
<td>(0.1%)</td>
<td>(0.0%)</td>
<td>0.4%</td>
<td>8.5%</td>
<td>(1.7%)</td>
<td>2.9%</td>
<td></td>
</tr>
<tr>
<td>EBIT (in EUR m)</td>
<td>165.8</td>
<td>387.9</td>
<td>433.7</td>
<td>81.0</td>
<td>(36.2)</td>
<td>86.8</td>
<td>86.6</td>
<td></td>
</tr>
<tr>
<td>Fashion Store</td>
<td>181.4</td>
<td>206.0</td>
<td>316.0</td>
<td>211.0</td>
<td>(36.1)</td>
<td>96.3</td>
<td>230.7</td>
<td></td>
</tr>
<tr>
<td>thereof DACH</td>
<td>255.1</td>
<td>263.4</td>
<td>353.0</td>
<td>142.4</td>
<td>24.5</td>
<td>61.9</td>
<td>86.0</td>
<td></td>
</tr>
<tr>
<td>thereof Rest of Europe</td>
<td>(18.7)</td>
<td>22.4</td>
<td>(36.7)</td>
<td>(121.4)</td>
<td>(60.9)</td>
<td>4.7</td>
<td>(56.4)</td>
<td></td>
</tr>
<tr>
<td>Office</td>
<td>23.2</td>
<td>62.3</td>
<td>97.5</td>
<td>36.6</td>
<td>21.0</td>
<td>8.9</td>
<td>41.6</td>
<td></td>
</tr>
<tr>
<td>All other segments</td>
<td>(20.4)</td>
<td>(12.4)</td>
<td>5.5</td>
<td>23.4</td>
<td>(7.2)</td>
<td>(8.1)</td>
<td>(17.6)</td>
<td></td>
</tr>
<tr>
<td>Reconciliation</td>
<td>0.6</td>
<td>0.2</td>
<td>4.4</td>
<td>(3.3)</td>
<td>(4.7)</td>
<td>1.1</td>
<td>(3.5)</td>
<td></td>
</tr>
<tr>
<td>EBIT margin (in %)</td>
<td>2.6%</td>
<td>4.6%</td>
<td>4.1%</td>
<td>0.8%</td>
<td>(1.2%)</td>
<td>3.4%</td>
<td>1.3%</td>
<td></td>
</tr>
<tr>
<td>Fashion Store</td>
<td>3.3%</td>
<td>4.1%</td>
<td>3.4%</td>
<td>0.2%</td>
<td>(2.0%)</td>
<td>3.2%</td>
<td>0.6%</td>
<td></td>
</tr>
<tr>
<td>thereof DACH</td>
<td>6.3%</td>
<td>7.0%</td>
<td>8.4%</td>
<td>3.5%</td>
<td>3.1%</td>
<td>6.0%</td>
<td>0.0%</td>
<td></td>
</tr>
<tr>
<td>thereof Rest of Europe</td>
<td>(0.6%)</td>
<td>0.6%</td>
<td>(0.7%)</td>
<td>(2.4%)</td>
<td>(0.0%)</td>
<td>0.4%</td>
<td>(2.6%)</td>
<td></td>
</tr>
<tr>
<td>Office</td>
<td>3.5%</td>
<td>8.4%</td>
<td>8.7%</td>
<td>2.5%</td>
<td>5.9%</td>
<td>4.6%</td>
<td>4.0%</td>
<td></td>
</tr>
<tr>
<td>All other segments</td>
<td>(16.2%)</td>
<td>(9.3%)</td>
<td>2.1%</td>
<td>6.3%</td>
<td>(0.7%)</td>
<td>(0.4%)</td>
<td>(4.2%)</td>
<td></td>
</tr>
<tr>
<td>Reconciliation</td>
<td>(0.2%)</td>
<td>(0.1%)</td>
<td>(0.0%)</td>
<td>0.4%</td>
<td>9.5%</td>
<td>(1.7%)</td>
<td>2.9%</td>
<td></td>
</tr>
</tbody>
</table>

* H1 2022 revenue for the Fashion Store segment has been restated by EUR -257.3m as internal stock transfers and services are no longer reported as external revenues but netted with the corresponding cost lines and thus reported on a net basis starting Q1 2023
## Balance Sheet

<table>
<thead>
<tr>
<th>Zaloendo group balance sheet (in EUR m as of Q3/Q3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
</tr>
<tr>
<td>-------------------------</td>
</tr>
<tr>
<td>Intangible assets</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
</tr>
<tr>
<td>Right-of-use assets</td>
</tr>
<tr>
<td>Financial assets</td>
</tr>
<tr>
<td>Non-current assets</td>
</tr>
<tr>
<td>Investments accounted for using the equity method</td>
</tr>
<tr>
<td>Dividend tax assets</td>
</tr>
<tr>
<td>Current assets</td>
</tr>
<tr>
<td>Inventories</td>
</tr>
<tr>
<td>Prepayments*</td>
</tr>
<tr>
<td>Trade and other receivables</td>
</tr>
<tr>
<td>Other financial assets</td>
</tr>
<tr>
<td>Other non-financial assets</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
</tr>
<tr>
<td>Assets held for sale</td>
</tr>
<tr>
<td>Total assets</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
</tr>
<tr>
<td>Issued capital</td>
</tr>
<tr>
<td>Capital reserves</td>
</tr>
<tr>
<td>Other reserves</td>
</tr>
<tr>
<td>Retained earnings</td>
</tr>
<tr>
<td>Non-controlling interest</td>
</tr>
<tr>
<td>Non-current liabilities</td>
</tr>
<tr>
<td>Provisions</td>
</tr>
<tr>
<td>Lease liabilities</td>
</tr>
<tr>
<td>Borrowings</td>
</tr>
<tr>
<td>Convertible bonds</td>
</tr>
<tr>
<td>Other financial liabilities</td>
</tr>
<tr>
<td>Other non-financial liabilities</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
</tr>
<tr>
<td>Current liabilities</td>
</tr>
<tr>
<td>Provisions</td>
</tr>
<tr>
<td>Lease liabilities</td>
</tr>
<tr>
<td>Borrowings</td>
</tr>
<tr>
<td>Trade payables and similar liabilities</td>
</tr>
<tr>
<td>Prepayments received</td>
</tr>
<tr>
<td>Income tax liabilities</td>
</tr>
<tr>
<td>Other financial liabilities</td>
</tr>
<tr>
<td>Other non-financial liabilities</td>
</tr>
<tr>
<td>Liabilities associated with assets held for sale</td>
</tr>
<tr>
<td>Total equity and liabilities</td>
</tr>
</tbody>
</table>

* From Q4/20 onwards prepayments are part of Trade and other receivables.
## Cash Flow Statement

Zalando group cash flow statement (in EUR m) as of Q2/23

<table>
<thead>
<tr>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Quarter</th>
<th>Quarter</th>
<th>Half-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY/19</td>
<td>FY/20</td>
<td>FY/21</td>
<td>FY/22</td>
<td>FY/21</td>
<td>FY/21</td>
<td>FY/21</td>
</tr>
<tr>
<td><strong>Net income for the period</strong></td>
<td>99.7</td>
<td>226.1</td>
<td>234.5</td>
<td>16.8</td>
<td>(36.8)</td>
<td>56.6</td>
<td>16.2</td>
</tr>
<tr>
<td><strong>Non-cash expenses from share-based payments</strong></td>
<td>46.0</td>
<td>59.3</td>
<td>57.3</td>
<td>72.5</td>
<td>21.1</td>
<td>20.2</td>
<td>41.3</td>
</tr>
<tr>
<td><strong>Cash paid for settlement of claims from share based payments</strong></td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets</strong></td>
<td>194.8</td>
<td>214.5</td>
<td>235.4</td>
<td>312.4</td>
<td>77.3</td>
<td>75.9</td>
<td>163.2</td>
</tr>
<tr>
<td><strong>Income taxes</strong></td>
<td>45.2</td>
<td>92.4</td>
<td>119.7</td>
<td>22.0</td>
<td>(13.3)</td>
<td>26.7</td>
<td>14.4</td>
</tr>
<tr>
<td><strong>Income taxes paid, less refunds</strong></td>
<td>(96.5)</td>
<td>(106.7)</td>
<td>(103.3)</td>
<td>(64.1)</td>
<td>(32.0)</td>
<td>(21.4)</td>
<td>(53.5)</td>
</tr>
<tr>
<td><strong>Increase/decrease in provisions</strong></td>
<td>6.1</td>
<td>(2.1)</td>
<td>(0.5)</td>
<td>7.2</td>
<td>2.5</td>
<td>29.1</td>
<td>31.7</td>
</tr>
<tr>
<td><strong>Other non-cash income/expense</strong></td>
<td>5.0</td>
<td>4.3</td>
<td>(2.7)</td>
<td>13.8</td>
<td>11.0</td>
<td>7.1</td>
<td>18.1</td>
</tr>
<tr>
<td><strong>Decrease/increase in inventories</strong></td>
<td>(278.8)</td>
<td>(262.9)</td>
<td>(186.3)</td>
<td>(260.1)</td>
<td>(248.7)</td>
<td>328.1</td>
<td>79.4</td>
</tr>
<tr>
<td><strong>Decrease/increase in trade and other receivables</strong></td>
<td>(97.2)</td>
<td>(139.6)</td>
<td>(125.6)</td>
<td>(169.5)</td>
<td>175.4</td>
<td>(125.6)</td>
<td>49.8</td>
</tr>
<tr>
<td><strong>Increase/decrease in trade payables and similar liabilities</strong></td>
<td>403.6</td>
<td>329.2</td>
<td>391.7</td>
<td>489.9</td>
<td>(143.3)</td>
<td>(110.5)</td>
<td>(253.8)</td>
</tr>
<tr>
<td><strong>Increase/decrease in other assets/liabilities</strong></td>
<td>(30.7)</td>
<td>132.1</td>
<td>(1.1)</td>
<td>19.1</td>
<td>21.6</td>
<td>85.1</td>
<td>106.6</td>
</tr>
<tr>
<td><strong>Cash flow from operating activities</strong></td>
<td>327.2</td>
<td>527.4</td>
<td>616.2</td>
<td>459.9</td>
<td>(166.8)</td>
<td>371.1</td>
<td>204.4</td>
</tr>
<tr>
<td><strong>Proceeds from disposal of non-current assets</strong></td>
<td>22.5</td>
<td>32.7</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Payments received from the sale of shares in associated and other companies</strong></td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Cash paid for investments in property, plant and equipment</strong></td>
<td>(233.7)</td>
<td>(171.6)</td>
<td>(240.4)</td>
<td>(274.5)</td>
<td>(17.7)</td>
<td>(22.4)</td>
<td>(41.1)</td>
</tr>
<tr>
<td><strong>Cash paid for investments in intangible assets</strong></td>
<td>(72.8)</td>
<td>(72.5)</td>
<td>(72.5)</td>
<td>(71.1)</td>
<td>(19.9)</td>
<td>(16.8)</td>
<td>(38.6)</td>
</tr>
<tr>
<td><strong>Cash paid for acquisition of shares in associated companies and subsidiaries less cash acquired</strong></td>
<td>(1.7)</td>
<td>(31.6)</td>
<td>0.0</td>
<td>(127.0)</td>
<td>(0.5)</td>
<td>(1.2)</td>
<td>(1.7)</td>
</tr>
<tr>
<td><strong>Cash received/paid for investments in term deposits</strong></td>
<td>(5.0)</td>
<td>25.0</td>
<td>(3.0)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Change in restricted cash</strong></td>
<td>0.4</td>
<td>0.0</td>
<td>0.0</td>
<td>2.5</td>
<td>0.0</td>
<td>(4.9)</td>
<td>(4.9)</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td>(290.3)</td>
<td>(217.8)</td>
<td>(335.9)</td>
<td>(476.2)</td>
<td>(38.2)</td>
<td>(45.3)</td>
<td>(83.5)</td>
</tr>
<tr>
<td><strong>Cash received from capital increases by the shareholders and stock option exercises less transaction costs</strong></td>
<td>38.5</td>
<td>55.1</td>
<td>22.5</td>
<td>4.4</td>
<td>0.4</td>
<td>1.3</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Repurchase of treasury shares</strong></td>
<td>(38.8)</td>
<td>0.0</td>
<td>(200.0)</td>
<td>(136.2)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Cash repayment of loans and similar payments</strong></td>
<td>(2.8)</td>
<td>(2.8)</td>
<td>(377.7)</td>
<td>(3.3)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Cash received from increases in borrowings</strong></td>
<td>0.0</td>
<td>376.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Cash payments for the principal portion of lease liabilities</strong></td>
<td>(64.2)</td>
<td>(67.2)</td>
<td>(84.5)</td>
<td>(110.8)</td>
<td>(30.0)</td>
<td>(33.4)</td>
<td>(63.3)</td>
</tr>
<tr>
<td><strong>Cash received from the issue of convertible bonds less transaction costs</strong></td>
<td>0.0</td>
<td>994.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td>(87.3)</td>
<td>1,354.1</td>
<td>(639.8)</td>
<td>(249.8)</td>
<td>(22.6)</td>
<td>(32.0)</td>
<td>(61.6)</td>
</tr>
<tr>
<td><strong>Net change in cash and cash equivalents from cash relevant transactions</strong></td>
<td>(20.4)</td>
<td>1,663.6</td>
<td>(359.8)</td>
<td>(282.2)</td>
<td>(234.5)</td>
<td>253.7</td>
<td>59.2</td>
</tr>
<tr>
<td><strong>Change in cash and cash equivalents due to exchange rate movements</strong></td>
<td>1.9</td>
<td>3.5</td>
<td>0.0</td>
<td>(0.9)</td>
<td>(0.5)</td>
<td>(3.0)</td>
<td>(8.4)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the period</strong></td>
<td>956.0</td>
<td>970.5</td>
<td>2,644.0</td>
<td>2,267.9</td>
<td>2,024.8</td>
<td>1,784.8</td>
<td>2,024.8</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the period</strong></td>
<td>976.6</td>
<td>2,644.0</td>
<td>2,587.9</td>
<td>2,024.8</td>
<td>1,784.8</td>
<td>2,075.6</td>
<td>2,075.6</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>41.6</td>
<td>284.5</td>
<td>283.2</td>
<td>(18.3)</td>
<td>(209.0)</td>
<td>339.7</td>
<td>125.8</td>
</tr>
</tbody>
</table>
Sequential grant – every four years – of LTI Shares and LTI Options

Free to select mix, but minimum portion of LTI Options of 50%

Both instruments linked to ambitious growth and ESG targets, strike price for LTI Options (see next slide)

Four-year performance and vesting period

Payout caps and malus & clawback provisions

Free choice of fixed remuneration & ZOP (Zalando Ownership Plan) within the illustrated framework

ZOP: share-based remuneration component of virtual shares and/or options (“ZOP Shares” and “ZOP options”)

1) The management board remuneration system became effective as of June 1, 2021. The remuneration for Astrid Arndt (for the term starting from 1 April 2021), Sandra Dembeck (for the term starting from 1 March 2022) and David Schröder (for the term starting from 1 April 2023) is based on this system.
Management Board Remuneration Scheme 2021 - GMV growth and ESG targets (2/2)

<table>
<thead>
<tr>
<th>GMV CAGR (April 1, 2021 - March 31, 2025)</th>
<th>Vesting rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 11.5%</td>
<td>0%</td>
</tr>
<tr>
<td>11.5% to less than 13.8%</td>
<td>50%</td>
</tr>
<tr>
<td>13.8% to less than 16.1%</td>
<td>60%</td>
</tr>
<tr>
<td>16.1% to less than 18.4%</td>
<td>70%</td>
</tr>
<tr>
<td>18.4% to less than 20.7%</td>
<td>80%</td>
</tr>
<tr>
<td>20.7% to less than 23.0%</td>
<td>90%</td>
</tr>
<tr>
<td>23.0% to less than 25.3%</td>
<td>100%</td>
</tr>
<tr>
<td>25.3% to less than 28.8%</td>
<td>110%</td>
</tr>
<tr>
<td>28.8% and above</td>
<td>125%</td>
</tr>
</tbody>
</table>

Up to 20 %-points reduction of GMV vesting rate in case ESG targets are not (fully) achieved.

The ESG modifier consists of a combination of different sub-targets, environmental criteria can be derived from our Sustainability strategy, e.g.:

- Reduction of scope 1 and 2 greenhouse gas (GHG) emissions
- Reduction of scope 3 GHG emissions (private label products)
- Increase in annual sourcing of renewable electricity
- Commitment that suppliers also implement science-based targets

Potential further criteria (e.g., social, governance) are currently being discussed and derived from inter alia our Diversity and Inclusion strategy.

<table>
<thead>
<tr>
<th>GMV CAGR (April 1, 2021 - March 31, 2025)</th>
<th>Modified vesting rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 11.5%</td>
<td>0%</td>
</tr>
<tr>
<td>11.5% to less than 13.8%</td>
<td>30-50%</td>
</tr>
<tr>
<td>13.8% to less than 16.1%</td>
<td>40-60%</td>
</tr>
<tr>
<td>16.1% to less than 18.4%</td>
<td>50-70%</td>
</tr>
<tr>
<td>18.4% to less than 20.7%</td>
<td>60-80%</td>
</tr>
<tr>
<td>20.7% to less than 23.0%</td>
<td>70-90%</td>
</tr>
<tr>
<td>23.0% to less than 25.3%</td>
<td>80-100%</td>
</tr>
<tr>
<td>25.3% to less than 28.8%</td>
<td>90-110%</td>
</tr>
<tr>
<td>28.8% and above</td>
<td>105-125%</td>
</tr>
</tbody>
</table>

1) The below CAGR is an example only for the period stated below (will be adapted and new targets in line with strategy set with the commencement of every new service agreement/extension of every existing service agreement).
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1. The Zalando Group
2. Zalando’s value proposition to customers
3. Strategic e-commerce capabilities
4. Zalando’s value proposition to partners
5. Business segments & financials
6. Share, convertible bond & contact
Zalando Share and overview stock options programs

**Share information**
(as of Jun 30, 2023)

<table>
<thead>
<tr>
<th>Type of shares</th>
<th>Ordinary bearer shares with no-par value (Stückaktien)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock exchange</td>
<td>Frankfurt Stock Exchange</td>
</tr>
<tr>
<td>Market segment</td>
<td>Regulated Market (Prime Standard)</td>
</tr>
<tr>
<td>Index listings</td>
<td>DAX</td>
</tr>
<tr>
<td>Total number of shares outstanding</td>
<td>263,627,929</td>
</tr>
<tr>
<td>Issued capital</td>
<td>EUR 263,627,929</td>
</tr>
</tbody>
</table>

**Stock options programs Management Board**
(as of Jun 30, 2023)

<table>
<thead>
<tr>
<th>Program</th>
<th># Options outstanding</th>
<th>Weighted average exercise price (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VSOP</td>
<td>60,000</td>
<td>29.84</td>
</tr>
<tr>
<td>LTI 2018</td>
<td>4,296,949</td>
<td>47.44</td>
</tr>
<tr>
<td>LTI 2019</td>
<td>296,442</td>
<td>24.38</td>
</tr>
<tr>
<td>LTI 2021-2023</td>
<td>677,917</td>
<td>38.91</td>
</tr>
<tr>
<td>ZOP</td>
<td>21,681</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,352,989</strong></td>
<td><strong>44.70</strong></td>
</tr>
</tbody>
</table>

**Stock options programs Senior Management**
(as of Jun 30, 2023)

<table>
<thead>
<tr>
<th>Program</th>
<th># Options outstanding</th>
<th>Weighted average exercise price (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SOP ¹</td>
<td>540,793</td>
<td>24.27</td>
</tr>
<tr>
<td>EIP ¹</td>
<td>2,666,381</td>
<td>38.17</td>
</tr>
<tr>
<td>ZOP</td>
<td>4,562,489</td>
<td>26.83</td>
</tr>
<tr>
<td>LTI</td>
<td>47,569</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,817,232</strong></td>
<td><strong>31.53</strong></td>
</tr>
</tbody>
</table>

---

1) Settled with new shares
2) Only to 35% to be settled with new shares, remaining backed by treasury shares
Shareholder structure

- 40.63% Other shareholders
- 11.20% Baillie Gifford & Co
- 10.09% Anders Holch Povlsen
- 5.44% BlackRock
- 5.22% T. Rowe Price Group, Inc.
- 5.21% Morgan Stanley
- 5.13% Founders*
- 4.99% Vanguard World Funds
- 4.95% Allianz Global Investors
- 3.15% AKO Capital
- 2.67% Generation Investment Management
- 1.32% Treasury Shares

*Aggregate shareholding of the founders

Voting rights held directly or by a subsidiary. Last update: August 3rd, 2023
### Convertible Bond 2020

<table>
<thead>
<tr>
<th>Pricing Terms</th>
<th>5-year</th>
<th>7-year</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Issue size</strong></td>
<td>€1,000mm</td>
<td>€1,000mm</td>
</tr>
<tr>
<td><strong>Tranche size</strong></td>
<td>€500mm</td>
<td>€500mm</td>
</tr>
<tr>
<td><strong>Status</strong></td>
<td>Senior, unsecured</td>
<td>Senior, unsecured</td>
</tr>
<tr>
<td><strong>Maturity</strong></td>
<td>5 years</td>
<td>7 years</td>
</tr>
<tr>
<td><strong>Issuer call</strong></td>
<td>After year 3 at 130% trigger</td>
<td>After year 5 at 150% trigger</td>
</tr>
<tr>
<td><strong>Reference share price</strong></td>
<td>€61.50</td>
<td>€61.50</td>
</tr>
<tr>
<td><strong>Issue price</strong></td>
<td>100.88%</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Redemption price</strong></td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td><strong>Yield to maturity</strong></td>
<td>-0.125%</td>
<td>0.625%</td>
</tr>
<tr>
<td><strong>Coupon</strong></td>
<td>0.05%</td>
<td>0.625%</td>
</tr>
<tr>
<td><strong>Conversion premium</strong></td>
<td>42.5%</td>
<td>50.0%</td>
</tr>
<tr>
<td><strong>Conversion price</strong></td>
<td>€87,637</td>
<td>€92,250</td>
</tr>
<tr>
<td><strong>Underlying shares (mm)</strong></td>
<td>5.7mm</td>
<td>5.4mm</td>
</tr>
<tr>
<td><strong>Underlying shares (% ISC)</strong></td>
<td>2.2%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>
Zalando analyst coverage

- Rocco Strauss
- Alexander Zienkowicz
- Volker Bosse
- Geoffroy de Mendez
- Emily Johnson
- Matthew Abraham
- William Woods

- Clement Genelot
- José Rito
- Aishwarya Dinesh
- Adam Cochrane
- Thomas Maul
- Krzysztof Kawa
- Paul Rossington

- Christian Salis
- Nicolas Katsapas
- Richard Edwards
- Georgina Johanan
- Jürgen Kolb
- Anubhav Malhotra
- Miriam Adisa

- Andreas Riemann
- Mark Josefson
- Ralf Marinoni
- Sherri Malek
- Emily Coolege
- Anne Critchlow
- Benjamin Kohnke

- Sreedhar Mahamkali
- Jörg Philipp Frey
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You should not rely on these forward-looking statements as predictions of future events and we undertake no obligation to update or revise these statements. Our actual results may differ materially and adversely from any forward-looking statements discussed on this call due to a number of factors, including without limitation, risks from macroeconomic developments, external fraud, inefficient processes at fulfillment centers, inaccurate personnel and capacity forecasts for fulfillment centers, hazardous material / conditions in production with regard to private labels, lack of innovation capabilities, inadequate data security, lack of market knowledge, risk of strike and changes in competition levels.